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## EC Eyes Farm Price Rise of 4%

### Ministers Asked for Interim Boost

By David Haworth

BRUSSELS, Sept. 2 (UPI)—European Economic Community's Executive Commission today that it will ask the nine member states to raise farm prices by 4 per cent. Agriculture Commissioner Pierre de Vries said that the proposal would be presented at a meeting tomorrow of the nine national agricultural ministers. If approved, the price-guarantee rise would take effect Oct. 1.

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BRUSSELS PROTEST—Traitors line a Brussels street yesterday during demonstrations by farmers for higher prices. Similar protests were held throughout Belgium.

## After Viewing French Plane

### 4 European Defense Chiefs To Visit U.S. to See New Jets

BRUSSELS, Sept. 2 (AP)—The defense ministers of Belgium, the Netherlands, Denmark and Norway will visit the United States Sept. 12-15 to investigate the claims of two lightweight U.S. jet fighters, the Belgian government announced today.

The air forces of the four countries are seeking to replace 350 aging F-104 Starfighters, and there is intense international rivalry over the sales, which would run into billions of dollars.

The defense ministers will be in Paris on Sunday to inspect the main competition, the Dassault-Breguet Mirage F-1, and to see the Defense Minister Jacques Soufflet.

In the United States, they are expected to see Defense Secretary James Schlesinger.

The ministers have been invited to Edwards Air Force Base, Calif., to inspect the U.S. planes—Northrop's two-engine F-16 and General Dynamics' single-engine F-16.

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## Frelimo, Lisbon Set Final Talks

### Session Thursday On Independence

DAR ES SALAAM, Sept. 3 (Reuters).—The Mozambique Liberation Front and the Portuguese government will begin formal negotiations this week to transfer power to an independent Mozambique, it was announced here today.

The negotiations in Lusaka, Zambia, beginning Thursday, will set a date for independence and work out the "quickest mechanism" for handing over power to a Frelimo government.

The president of Frelimo, Samora Machel, told a press conference at his Dar es Salaam headquarters today that he was confident the peace talks aimed at ending the 10-year-old guerrilla war—and 300 years of Portuguese rule—would be successful.

Three Months of Contacts

There have been three months of contacts between the two sides, which, according to informed diplomats in the Tanzanian capital, laid the groundwork for independence and a new administration in Mozambique.

The diplomats said that a basic agreement on the principle of an independent Mozambique had been worked out three weeks ago at a secret two-day meeting in Dar es Salaam between Mr. Machel and Portuguese Foreign Minister Mario Soares.

They said that the Lusaka conference could be relatively short, merely to give formal ratification to a new constitutional framework for Portugal's East African territory.

Senior Tanzanian government officials reported last week that agreement in principle on major issues was reached last month in Dar es Salaam and it was now a question of "dotting the i's and crossing the t's."

Announcing the forthcoming talks today, Mr. Machel said: "We are not going to negotiate independence. Our object is to establish the way power will be transferred to Frelimo and the Mozambique people and that Frelimo be their sole legitimate representative."

Since the first tentative approaches began between the guerrilla leadership and the new rulers in Lisbon after the April coup which ousted the regime of Marcello Caetano, Frelimo has insisted that, before the war in Mozambique ends, Portugal must accept three points.

These are that Portugal recognize the inalienable right of the Mozambique people to independence; that it transfer power to the Mozambique people and that Frelimo be their sole legitimate representative.

Mr. Machel did not say whether these points had been met. But he pointed out that the Portuguese government was negotiating only with Frelimo.

Links With Senegal

LISBON, Sept. 2 (Reuters).—Portugal and Senegal today established diplomatic relations. Mr. Soares predicted that other African and Arab countries, as well as India, would shortly do the same.

While Portugal refused to decolonize its African territories, the only African countries that would have diplomatic relations with Lisbon were South Africa and Malawi.

Senegal, which used to harbor guerrillas fighting the Portuguese Army in neighboring Guinea-Bissau, is the first African country to establish relations following Portugal's moves toward decolonization.

By James T. Wooten

BOILING SPRINGS, Pa., Sept. 2 (UPI)—The long, low meadow rang with the boisterous sounds of grown men being children, and it might have been just another softball game at another Labor Day picnic.

There was the crack of bat on ball, the thump of fist in glove, the choppy cadence of the infield's chatter, the through-the-teeth whistling, and the shouts of encouragement, and all of the other joyful noises made by adult males who are sharing a hot, happy summer's day.

These fellows, however, had much more in common than that, for from the squatting catcher to the crumpling shortstop to the outfielders squinting into the afternoon sun, every man was named Jim Smith and they were all here in this rural resort for the fifth annual gathering of the Jim Smiths Society.

There was the pitcher, James A. Smith, a teacher from Riverdale, Md., and the leftfielder,



MASS GRAVE—Turkish soldiers wearing masks against the stench dig in a garbage dump where a mass grave was discovered in Turkish Cypriot village of Maratha.

## Leftists Shot After Arrest

### Chile Court Records Reveal Two Summary Executions

By Joseph Novitski

SANTIAGO, Sept. 2 (UPI)—Two men arrested by government investigators two weeks ago in a small town near here died the same day, each with a bullet in his head, according to the records of the Santiago Court of Appeals.

The court, in two recent decisions, agreed to extend a form of judicial protection to the widows and daughters of the dead men, both of whom were members of Marxist political parties that had supported the late President Salvador Allende.

The court action, agreeing to consider a plea to prevent any arrest order against the widows, committed to the public record what appear to have been the first summary executions in many months in Chile.

It is understood that military authorities have ordered an investigation into the incident, but neither the court decisions nor any announcement of an official probe has been published in the newspapers.

Sentences Commuted

The military junta that last September overthrew Mr. Allende prohibited summary executions early this year. Furthermore, so far as is known, none of the death sentences handed down by courts-martial has been carried out since Feb. 13. Nine death sentences for political offenses have been commuted by military commanders since then.

However, Dr. Hector Garcia, 50, a physician and member of the Socialist party, and Ruben Lamich, a 48-year-old contractor and member of the Communist party, died while in official custody, according to the cases considered by the Appeals Court.

The two men were detained separately on Aug. 13, in Buin, a town just south of here. Their bodies were returned to their families through the Santiago morgue; that of Mr. Garcia on Aug. 14 and that of Mr. Lamich the next day.

On petition by the widows of the two men, the Appeals Court agreed last week to ask military and police authorities if there were any orders to arrest the women or their children. There has been no answer.

Mrs. Maria Garcia told the court her husband was detained at the Buin hospital, where he worked, on the morning of Aug. 13. She said he was interrogated briefly, in her presence, shortly before dawn on the same day, when eight men in civilian clothes and two uniformed policemen

came to the Garcia home in a police car.

Dr. Garcia's death certificate, cited in the petition, gave the time of his death as 10:30 a.m. Aug. 13, a little over one hour after he had been detained. Mrs. Garcia told the court that at about the same time an army officer at the regimental base at San Bernardo told a lawyer and a friend of the family that the regiment knew nothing of Dr. Garcia's arrest.

Brother Informed

Mrs. Garcia said her brother, Candido Garcia, was called to the Buin police station on Aug. 14 and told that Dr. Garcia was dead. He was given the doctor's identification papers. Later that day, he located the doctor's body in the Santiago morgue.

The autopsy report, cited in the court record, declared that Dr. Garcia died as a result of a bullet wound in the forehead. It also mentioned bruises on the arms and legs and a cut on his jaw.

The Court of Appeals has (Continued on Page 2, Col. 7)

## See No Weakening of Alliance

### Italian Communists Advance Drive for Power, Assure U.S.

By Paul Hofmann

ROME, Sept. 2 (UPI)—The Italian Communist party, stepping up a campaign aimed at obtaining a share in government power, sought yesterday to assure the United States that it would not weaken the Western alliance.

"What is the interest of the Western European countries and of the United States?" a spokesman for the Communist party asked rhetorically. "Are they interested in the kind of Italy as it is now, economically unstable and politically ungovernable?"

He recognized that Italy's allies could not remain indifferent to the type of government in this country and how political power was wielded. But he postulated that Italy would be strengthened if his party were given a role in political decision-making, and suggested that Italy's allies should be pleased rather than frightened by such a development.

"Today, the cold war is only a remembrance of the past, as are the Iron Curtain and the alleged Soviet threat," Mr. Cosutta said. "Today, new relations between the countries of the various blocs and within each bloc emerge. Today, new realities are also growing within the Atlantic pact."

Specific Framework

Mr. Cosutta said the Italian Communists were aware of their need to "act within the framework of a specific international, geographic and political reality," meaning that they were prepared to accept the country's membership in NATO.

He also said that awareness was spreading abroad "that the Communists are such a part of the Italian reality that one cannot do without them."

The Italian Communist party is the nation's second largest political force. It polled 37.2 per cent of the vote in the last nationwide parliamentary elections, in 1972, and may have advanced in some regions since then.

The Christian Democratic party, Italy's dominant political movement, was backed by 38.8 per cent of the voters in 1972, but there are signs that it has lost ground.

## Turks Put Off Talks In Cyprus

### Act After Finding A Mass Grave

From Wire Dispatches

NICOSIA, Sept. 2.—Turkish Cypriot leader Rauf Denktaş today postponed his first formal scheduled talks with President Glafkos Clerides, after Turkish troops uncovered a mass grave of scores of bodies in a Turkish Cypriot village.

A United Nations spokesman said the talks, scheduled to have started tonight in Nicosia's Ledra Palace Hotel, have now been postponed until Friday. But Mr. Denktaş said he considered the appointment "provisional only."

A Turkish Cypriot spokesman said searchers had recovered 35 bodies, all of them badly mutilated, from the grave discovered last night in the village of Maratha, north of Famagusta on the eastern coast. He said he expected to find perhaps 40 more.

The Greek-led Cypriot government, reacting to the postponement of the talks, today called upon the United Nations and the Red Cross to set up a commission to investigate charges of atrocities by both sides on the island.

A government statement condemned the alleged massacre at Maratha and called for an immediate UN-Red Cross investigation.

"The government condemns with abhorrence the reported crime regardless of which side is responsible for it. Furthermore, the government challenges the Turkish side to allow an independent investigation, by a commonly accepted committee, of all crimes or acts of violence, atrocities, rapes and looting reported both in the areas controlled by the Turkish invasion forces and those controlled by the government," the statement said.

Done in Anger

Mr. Denktaş said he postponed the talks in anger over a Greek Cypriot statement suggesting that the bodies may be Greek Cypriots massacred by the Turks.

"This added the final salt to our wounds," he said. "How can they be so mean and think they are so clever that they can deceive the world?"

He said the bodies were "definitely Turkish Cypriots and their relatives are now trying to identify them."

In Maratha, Turkish troops dug out the bodies from a heap of earth and rusty tin cans.

"There were 90 souls in the village. Six of us are alive," said Hassan Nihat Mustafa, 65, the religious leader of the village. "The Greeks took away 11 men as prisoners."

"All the rest—a total of 79—man—be in the grave," the villager told newsmen at the graveside.

Turkish officials said the victims were Turkish Cypriots who had been murdered on Aug. 14 by Greek soldiers who were fleeing as the Turkish Army advanced on its way to capture Famagusta.

Shift From Cyprus

ISTANBUL, Sept. 2 (UPI)—Premier Bulent Ecevit said today Turkey's duties in Cyprus were mostly accomplished and that he was turning aside from the Cyprus issue to meet other issues.

"I am happy to be turning toward other matters and restarting my trips inside the country with the national and humanitarian duty which I recently accomplished," Mr. Ecevit told a cheering crowd of several thousand persons.

On his first visit to Istanbul since he came to power seven months ago, Mr. Ecevit said, "One and a half months ago all Turkish Cypriots were prisoners. In the (Continued on Page 2, Col. 4)

## Lloyds Loses \$33 Million On Deals

LONDON, Sept. 2 (UPI)—Lloyds Bank Ltd. reported today it suffered a loss of up to \$33 million because of irregularities including unauthorized foreign exchange dealings at its branch in Lugano, Switzerland.

The large British bank noted that the loss is small compared with its capital and reserves of over \$232 million and added it will meet all the commitments of the branch.

Story Page 7.



## 2 Couples Give Examples

## Pay Level Is Greater Worry For Germans Than Inflation

By Craig R. Whitney

BONN, Sept. 2 (NYT)—West Germany, with 7 per cent, has the lowest rate of inflation of any major industrial power this year, possibly because the problem of constantly rising prices has become virtually a national preoccupation.

But two young couples—one living comparatively well in Frankfurt and the other in Bonn on a meager income—give a different impression of the way individual Germans look at inflation than that given by the constant talk, worry and hand-wringing of government officials, businessmen and journalists.

"For us, personally, inflation isn't really a problem—for banks and governments, maybe it is," said Klaus-Dietrich von Schilling, a barrister and law student who lives on \$130 a week here with his

wife, Branca, and their two-year-old son, Alexander. "It's not inflation that puts fine clothes and good furniture beyond our reach," he said. "It's our low income."

On the other side of the coin, "rising prices don't really make us stop buying anything," said Erika Gribble, who is helping her American husband, Thomas, to get through a doctoral program on her salary of about \$300 a week in Frankfurt. She is a buyer for an American department store chain. "We just spend more. Maybe we spent 40 more for food last month," Mrs. Gribble said.

Germans sometimes call the "inflation mentality," meaning that people accept and even expect prices to rise steadily. One reason may be that nearly all employed West German workers, except the self-employed and farmers, are receiving compensation for inflation in their paychecks. This Chancellor Helmut Schmidt said in a recent interview, is "in itself an accelerating source of inflation."

Mrs. Gribble, for instance, received a 10 per cent pay increase this month to cover the effects of inflation during the 13 months she has been working for the Kay department stores. Mr. von Schilling, whose income in the last phase of his law studies is being supplied by the state, received the same 10 per cent to 11 per cent inflation increase that all federal employees got.

Fatalism on Prices  
There is some fatalism about rising prices. "We only have about 500 marks a month left over after rent, taxes, insurance and fixed monthly bills," said Mr. von Schilling, referring to the equivalent of \$300. "We spend most of that on food, because we eat all our meals here." The von Schillings live in a modest apartment in a small house on the Rhine, in Melsheim, a suburb of Bonn. The rent, about \$165, did not go up this year—"luckily," Mr. von Schilling says.

Food prices in West Germany are extremely high. A pound of the best file steak costs \$5.54, and a pound of butter is \$1.50. One reason is a proliferation of small stores that are protected from competition by a nationwide law that shuts even supermarkets at 6:30 p.m. Mondays through Fridays and at 1:30 p.m. Saturdays. Comparison shopping is thus impossible for most working people and retail profit margins are high. Wholesale food dealers sell for 30 to 40 per cent less than the prices paid by the average shopper.

"Here, in Melsheim, there are only one or two shops, so there is no competition," Mrs. von Schilling, who was born in Yugoslavia, said. "Things are 10 to 15 per cent more expensive than in Bonn but it's hard for me to get down there often."

Save More  
The Gribbles can save a little more in Frankfurt, which is a large, cosmopolitan city with such things as discount stores, unheard of in Bonn. "We buy mostly hamburger, chicken and sometimes veal," said Mr. Gribble, who is working on a thesis concerning the writer Evelyn Waugh. "If I like a book, we'll buy more of it. But we lived almost three years in Wales, when I was studying, and the rise in prices was really much more noticeable there than it has been here."

Mrs. Gribble's parents own the fifth-floor apartment in which she and her husband live, near the old U. S. Furber building, and charge only 150 marks a month, about \$80, for it. Most West Germans did not give up summer vacations abroad because of inflation, and neither did Thomas and Erika Gribble: they spent three weeks in Italy and Switzerland in the spring. They made the trip in a new, green Volkswagen "beetle" for which they paid \$3,000 cash in May.

"We don't buy on credit," Mrs. Gribble said. "You either have the money or you don't buy it."



Sculptor Ernst Neizvestny and his bust of Nikita Khrushchev for tomb.

## Monument Placed on Khrushchev's Grave

MOSCOW, Sept. 2 (UPI)—Workers today erected an imposing black and white tombstone on former Premier Nikita Khrushchev's grave, giving him his only monument in the Soviet Union.

Mr. Khrushchev's son, Sergei, 39, an electronics engineer, and sculptor Ernst Neizvestny, 49, whom Mr. Khrushchev once reviled, watched the work at Novodevichy Cemetery.

"Yes, it's quite good," Sergei Khrushchev said as he helped line up a bronze bust in the center of the eight-foot tombstone. It is set on a bronze base with raised letters "Nikita Sergeevich Khrushchev 1894-1971."

It was put in place just before the third anniversary of Mr. Khrushchev's death at 77 on Sept. 11, 1971. Sergei said there

would be a small family ceremony to dedicate the memorial on the anniversary.

Newsmen Photographed  
Two policemen kept back on-lookers who at one point numbered more than 50. There were also police detectives present who photographed Western newsmen outside the cemetery.

Workers used a crane on a flatbed truck to hoist the three white marble and three black granite slabs into place. Mr. Neizvestny said each weighed two tons.

The two colors represented Mr. Khrushchev's "dualistic and, if you like, dialectic position, a man between good and bad," he said.

Mr. Khrushchev, touring an

art exhibit in 1961, said of Mr. Neizvestny's abstract work: "A donkey with his tail could do better work."

The sculptor, one of the best known artists in the Soviet Union, was reconciled with Mr. Khrushchev before the former premier's death. Sergei said his father did not specifically ask that Mr. Neizvestny design his monument but the family selected him because they thought Mr. Khrushchev would have approved.

Mr. Khrushchev was removed from office 10 years ago next month and spent his last years in seclusion. He was denied the Red Square burial given to Stalin and Lenin.

Until now, his grave had been adorned only with his photograph and a simple metal name plate.

## EEC Seeks Increase of 4% in Farm Prices

(Continued from Page 1)  
ington talks last week with U.S. Agriculture Secretary Earl Butz had persuaded him to put aside his aversion to an interim increase in farm prices.

He added that Mr. Butz had given him all possible guarantees that the United States will open its frontiers to EEC exports as much as possible in the coming months.

The commission's prepared statement, taking note of EEC farmers' problems, specifically cited decreases in market prices for beef and pork. He also mentioned that farmers have not been able to benefit from the very high prices prevailing on the world market of wheat, fodder

grains and sugar. Mr. Lardinois said that Common Market policy considered it "inadvisable" to allow EEC prices to reflect the prices paid elsewhere for these products.

He said that the EEC nations' farm ministers, in addition to being asked to approve an interim increase in farm prices, will be invited to forward early proposals on 1975-76 prices, so that those can be settled by Feb. 1 instead of the normal deadline of April 1. The commission's statement said that "the commission will not fail in its proposals to take into account the trend of production costs in 1973 and 1974."

Mr. Lardinois expressed the hope that the measures he is putting forward will induce EEC farmers to halt their disruptive demonstrations.

## 4 Europeans To See Jets

(Continued from Page 1)  
reducing the drain on their foreign reserves.

Mr. Gates said commitments had already been made with 30 factories in the Netherlands on what they would produce should the Cobra be ordered by the Dutch. Similar discussions have taken place with companies in the three other countries.

Northrop had also offered to set up a plant in one of the four countries to manufacture graphite composite, a new material used in the Cobra which is lighter than aluminum and stronger than steel.

The Northrop vice-president said that the offer proposal would include not only the manufacture in Europe of airframes, engines and avionics, but immediate participation in the aircraft's development program.

Northrop believes there is a market for 1,500 of the light-weight fighters in the next two decades—550 for the U.S. Air Force, 350 for the four potential European customers and 500 for other countries.

## Seoul-Taipei Flight Halt

SEOUL, Sept. 2 (AP)—Korean Air Lines said today that it had halted its three weekly flights between Seoul and Taipei.

## Italy Rightists Rally at War Hero's Funeral

ROME, Sept. 2 (AP)—Thousands of rightists shouted slogans and raised their right arms in the Fascist salute in the Basilica of Santa Maria Maggiore today as the funeral of Prince Junio Valerio Borghese turned into a show of Fascist nostalgia and anger.

Hundreds of policemen with clubs and shields stood outside to prevent violence while a priest led funeral rites for the former comrade-in-arms of dictator Benito Mussolini.

Prince Borghese was buried in a crypt of the basilica, under a statue of Pope Paul V in the sumptuous chapel built by the 17th-century Pontiff, a member of the Borghese family.

Prince Borghese, 67, died a week ago in Spain, where he had fled as Italian police searched for him on charges of plotting an armed insurrection in December, 1970.

Survivors of the Fascist era and the leaders of the Italian Social Movement, the nation's most right-wing party, defied the

Vatican by venting their political frustrations throughout today's funeral.

The Vatican said Saturday that it wanted the ceremony to be simple and pious.

Under centuries-old privileges, the Borghese and members of other families are entitled to burial in the chapels that their ancestors built in the city's churches.

In its statement Saturday, the Vatican said that it planned to end these privileges.

Prince Borghese was one of the most glamorous war heroes of Italian fascism and won a gold medal for his daring attacks on Allied submarines.

During the funeral mass in the basilica chapel today, a young man shouted: "Assassin, Fascist!" Half a dozen youths grabbed him and dragged him outside.

Vatican plainclothes police said that some elderly persons screamed denunciations of parliamentary democracy during the service. When the mass ended, Adm.

Information sources said that the commission's proposals will be discussed by EEC foreign ministers Sept. 16, at their first meeting after the summer vacation.

An earlier discussion of the return of civilian government to Greece will take place on Sept. 10, when the new regime's Foreign Minister, George Mavros, meets here with commissioner president Francois-Xavier Ortoli and other top EEC officials.

The commission wants a ministerial meeting between the EEC and Greece to be held in the framework of the association agreement that has been effectively frozen since the 1967 coup.

In addition, it wants trade relations between Greece and the Common Market to be brought up to date to take account of the EEC's enlargement from six to nine members last year.

## Armed Police Reserve Unit Will Be Increased in Ulster

BELFAST, Sept. 2 (UPI)—Northern Ireland Secretary Merlyn Rees today announced plans to increase the armed police reserves to combat violence by Roman Catholic and Protestant extremists.

Mr. Rees said that he planned to boost the 2,500-man police reserve to a total of 6,000, including 1,500 women. He also said that Britain planned to pull 1,000 troops out of Northern Ireland soon.

The plan appeared to be a compromise between threats by the majority Protestant and minority Roman Catholic communities to set up their own private armies.

Protestant spokesmen demanded that the government authorize an armed "third force" to counter the gunmen and bombers of the Irish Republican Army on a local level. The Catholics said that, if this were authorized, they would create a "people's army" in their areas.

Mr. Rees said that members of the police reserve could be armed at all times and could set up "community police centers" in their areas under control of the chief constable of the regular police.

## News Analysts

## Tension Mounts in Portugal; Young Officers Press Spinola

By Henry Giniger

LISBON, Sept. 2 (NYT)—"Who exercises political power in Portugal?" Lisbon's leading review, *Expresso*, asked last week.

An effort to resolve what has become the country's most nagging question has created tension in the military establishment, a threat of armed conflict and the possibility of an end to the democratic revolution begun in April with the overthrow of the 48-year-old dictatorship.

A fragile truce has set in between conservative forces led by President Antonio de Spínola, the 64-year-old general, and younger, more radical officers who staged the coup. Only last month each side was counting its troops for a showdown. With the truce, it is hoped that the country will be able to reach the promised elections next year and end the present unstable period.

Economic Crisis  
The political confusion is aggravated by an economic crisis that has given Portugal one of the highest inflation rates in Europe, business depression, a balance-of-payments deficit and rising unemployment.

Two successive governments have been laboriously slow in dealing with the crisis. After weeks of debate, the first was about to establish a recovery program when it fell in July. The present one has yet to announce concrete measures.

Ten days ago, Premier Vasco dos Santos Gonçalves could do little more than call for sacrifice and austerity. He had to announce further price increases for fuel, sugar, rice, codfish and fertilizers. He promised efforts to reduce inflation but did not say how he would do it.

Meanwhile, the Premier warned workers that the economy could not afford the wage levels prevailing in France or Italy. The effort to end the wars in Africa by concentrating independence will not mean a diversion of money to more productive goals for at least two years, he said.

The myriad problems of political organization and economic development in Portugal and of decolonization in Africa are being handled by six major centers of power.

Power Centers  
There is the presidency controlled by Gen. Spínola, the government, in which three major political parties, the Communists, the Socialists and the centrist Popular Front, share decision-making, and the Council of State, a combination supreme court and legislature. There is also the 12-member Coordinating Commission of the Armed Forces Movement, which speaks for the young officers that started the revolution; the junta itself, where seven senior officers chosen by the arm-

ed forces movement sit as a second government, and the defense staff, an entity totally independent of the government.

The six groups overlap. Gen. Spínola is head of the junta and the junta is in the Council of State. Premier Gonçalves and three other ministers are members of the Coordinating Commission, which in turn has seven members in the Council of State. The head of the defense staff, Gen. Francisco da Costa Gomes, is also a member of the junta. A decree on Wednesday made him answerable only to President Spínola and gave him a rank equivalent to the Premier.

Ideology, policy and a generation gap have helped to create the present lines of conflict. The younger officers, who carried out the coup largely because they were tired of a seemingly endless war in Africa, accuse Gen. Spínola of delaying on independence for the African territories. This opinion is shared by leftist political groups, who say the general, who had hoped to establish a large Portuguese confederation, had to be forced to recognize independence for Portuguese Guinea and the other territories as the only way to end the war.

The conservatives led by Gen. Spínola feel that the young officers have become radicalized since April to the point of being crypto-Communists. The charge has been made that the Communist party has plotted with some of the officers to seize power and postpone the elections indefinitely because the party could never hope to win in free voting.

The young officers are also being reproached with throwing their weight around too much, showing scant respect for their superiors, going on show through statements on television and in press interviews, assuming powers that they have no right to and operating the armed forces movement as a kind of exclusive club.

## 2 Executions Bared in Chile

(Continued from Page 1)  
limited access to the record of the petition for protection from arrest made by Mrs. Lamich, the widow of the dead contractor.

Court sources reported that the record showed he had been arrested the same day in Buin and had died as a result of a shot in the head. The secretary of the court said it had agreed to consider her plea and had ordered the minister of the interior, who is titular head of the plainclothes police, and the commander of the Santiago military garrison, which includes Buin, to report if any arrest order has been issued for Mrs. Lamich.

If such an order has been issued for Mrs. Lamich, she will consider issuing a preventive writ of habeas corpus. Some wives of political supporters of President Allende have been detained in the 11 months since he was overthrown. Minors have also been detained for political offenses.

Of the 1,008 habeas corpus petitions considered this year by the Appeals Court here, all but one of those entered on behalf of persons detained for political reasons have been turned down. The one writ that was granted, in the case of a 14-year-old boy, was overturned by the Supreme Court after it had heard arguments from the Ministry of the Interior that the boy had been member of the Communist youth movement and an active supporter of Mr. Allende's government. He is still being detained.

Seoul Mayor Is Fired In Korean Shake-Up  
SEOUL, Sept. 2 (AP)—Mayor Yang Taek Shik was dismissed today in the latest government shake-up since the Aug. 15 assassination attempt on President Chung Hee Park.

Earlier, police reported the safe recovery of a young mother and two children held hostage nine hours by gunmen during an attack on a militia post at New-town, 80 miles from Seoul.

The government named Koo Ja Choon, 42, to succeed Mr. Yang. Mr. Koo is governor of Kyungang Pukto Province and a former army colonel.



Jean-Pierre Fouré, ing press conf

## France O Drive to Prices by

PARIS, Sept. 2 (AP)—France today launched a drive to bring many shopkeepers' prices down to the level of 1969.

More than 200,000 shopkeepers, 800,000 shopkeepers, three-month, government campaign.

Most supermarkets stores backed the campaign enthusiastically—many offering a 10 per cent discount on many food products.

Stores which joined placed notices in their advising shoppers that school equipment, clothes and many dairy products were "own price."

The campaign was launched by the Ministry of Finance, which is running at about 16 per cent a year.

With the new school about to start, Mr. proposed voluntary price reductions on school items first month of the year.

In the second month, household goods are reduced by 5 per cent. In the third month, all cloth items are to be brought down to 1969 levels.

The government's aim is to achieve a 10 per cent increase of no more than 10 per cent by the end of next year. In a related move, Georges Seguy, the Communist-led CGT, highest union, today five-point plan to cut including a tax on car reduction of business margins.

Mr. Seguy was reported to be a vocal supporter of the unions' help in fighting inflation. Mr. Seguy blocking certain price increases or removing the value on main consumer items sliding scale for wages.

"We would have a president," A said. "But we've got d'Esterling and so it's that we must negotiate our problems."

## Rhodesians Integrated

SALISBURY, Rhodes (UPI)—A new racial conservative political party is being formed in Rhodesia.

The party will be headed by cabinet minister Harper and formed by the Rhodesia Group, which successfully battled Prime Minister Ian Smith's Rhodesia in the July 30 general election.

Mr. Harper's proposals calling for a separate black parliament, a supreme racially mixed council of ministers will form of the new party's platform.

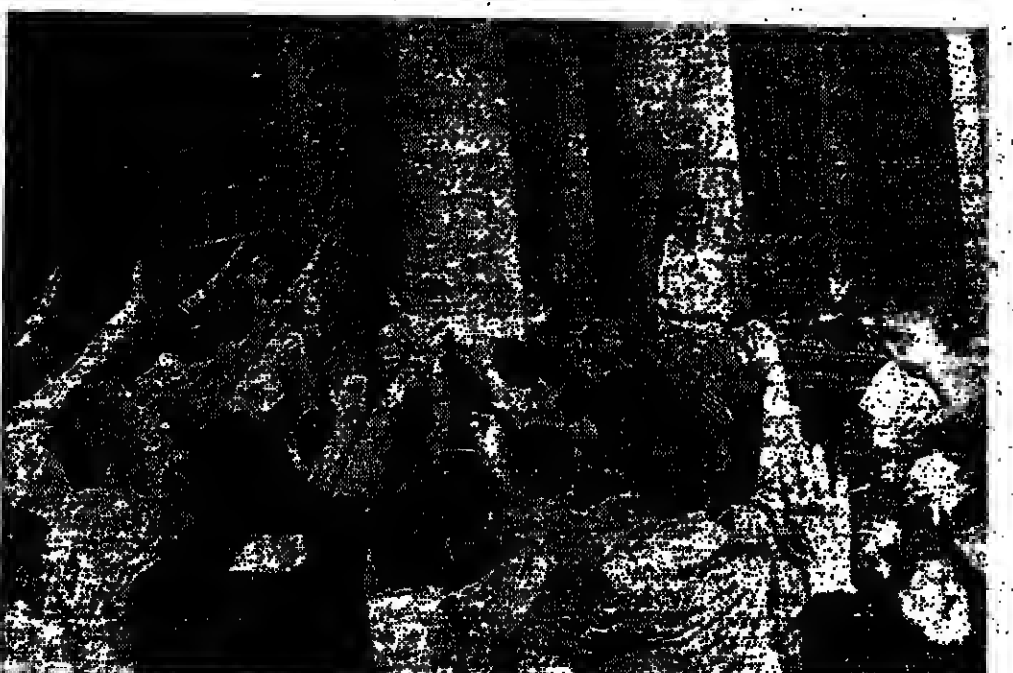
## I flew home Pan Am.



Mary-Anne Orr, Mahopac, New York

"What I particularly liked was when we were boarding the plane, they were very organized, called the numbers of the seats. The boarding was very fast and it wasn't confused at all."

**Switch!** PAN AM. The world's most experienced airline.



FASCIST SALUTE—Rightists attending the funeral of Prince Junio Valerio Borghese, head of the Italian Social Movement (neo-Fascist) party, raise their hands in salute outside Basilica of Santa Maria Maggiore in Rome yesterday.



Gallup Poll

Majority Backs Prosecution Of Nixon in Watergate Case

By George Gallup

PRINCETON, N.J., Sept. 2 (AP)—The latest nationwide survey shows that 56 per cent of Americans think former President Richard Nixon should be charged with a crime for his possible involvement in the Watergate case.

In the case of many Watergate-related issues, views on this are strongly partisan from political standpoint. Democrats are nearly 3-to-1 in favor of charging Mr. Nixon to trial, but Republicans are nearly 2-to-1 opposed.

Mr. Nixon was named as an indicted co-conspirator by the grand jury that formally accused many of his associates and as of Watergate-related crimes. He has resigned from the presidency, forfeiting what immunity he may have had in that case. There has been a great deal of speculation over whether or not he should be indicted and arrested.

President Ford could ultimately decide Mr. Nixon and others for federal offenses committee. Ford, in saying he thought Mr. Nixon had suffered enough, told reporters at his first press conference as President that a pardon Mr. Nixon was an option he was holding open if the former president were brought to trial and convicted. But the decision

as to whether or not the prosecution will proceed, and in what form, is in the hands of Watergate special prosecutor Leon Jaworski.

Respect for Justice

Arguments in favor of prosecuting Mr. Nixon include the concept that failure to do so would diminish public respect for the American system of justice.

Also cited as a reason to proceed with the prosecution is the concept of "equal justice under law." If the law applies equally to everyone, it is argued, Mr. Nixon should be treated no differently.

Another argument in favor of prosecution is that many former Nixon subordinates have stood up and will stand trial. A failure to proceed with Mr. Nixon's case, it is argued, would be unfair to those men who have already stood trial and, in some cases, gone to jail.

Finally, the argument is made that if Mr. Nixon does not stand trial, he would be free to say he has done nothing wrong, a claim that would be supported by some who believe he was hounded from office by the press and political adversaries.

The main argument against putting Mr. Nixon on trial is that he has already suffered enough for what crimes he may have committed. A trial, "picking the carcass" as Mr. Nixon himself called it in a recent telephone conversation with Rep. Dan Rostenkowski, R-Ill., would be unnecessarily humiliating. Others point out the U.S. system of justice, in giving prosecutors considerable latitude in their dealings, allows for a compassionate gesture, one that would relieve those who are repelled by the idea of a former President in prison.

Others do not believe Mr. Nixon has done anything wrong and, therefore, should not be brought to trial. And some people feel it would be impossible for Mr. Nixon or his aides to get a fair trial.

The following question was asked in the latest survey, with these key results:

	Should Not Be Charged	Should Be Charged
National	37	56
Whites	40	53
Non-Whites	28	72
Under 30 years	30	66
30-49 years	38	54
50 and over	41	51
East	31	61
Midwest	40	54
South	41	55
West	39	56
Republicans	53	33
Democrats	25	75
Independents	36	55

Energy Saving Results in Loss

RICHMOND, Va., Sept. 2 (AP)—The city's one-man police bicycle patrol, begun during the energy crisis, ended unexpectedly last week.

Patrolman J. E. Carter's 10-speed bike was stolen after he left it on a street for a few minutes.

The patrolman said that when he returned, he saw a man driving away in a car with the bicycle.

New Thievery Takes Root in U.S. Gardens

LOS ANGELES, Sept. 2 (AP)—Taking advantage of a boom in house and garden plants, thieves across the United States are pilfering everything from all berries and shrubs to plants in flower. Homes, private offices, public highways and city streets are all targets in the crime wave.

John Province, manager of the Los Angeles County Arboretum, said two baskets of plants taken entirely from in front of his house.

Mr. Province said that the arboretum itself has had a number of minor plant thefts during its 10-day home demonstration, which are booked solid and sold to police. "Mostly they're the things that could be smuggled out easily but are replantable," he said.

**Bigger Loss**  
Nationwide, "plantnappers" are being hit by a new wave of thefts. In Oklahoma City, reports of nine large exotic plants, valued at \$50 to \$80 apiece, were taken in June from the Baptist Medical Center. An entire geranium bed disappeared recently from a city park in St. Paul, Minn., and a bed of pansies was moved from the park surrounding the Washington Monument in summer.

Authorities say that most thefts occur in urban areas and that most of the thieves prefer the less expensive plants.

Police in Los Angeles report two reports for plant thefts this summer, but the charges were dropped after the plants were recovered.

Leonard Rothbaum, operator of Los Angeles nursery, suggests his customers that they invest in a lock and chain to go with their new plants.

Run a chain through the hole in the bottom and then lock it to a tree," Mr. Rothbaum advises. "Or better yet, anchor the chain underground or even run it through the hole in the bottom and then through a large hole in the back of the plant."

**Women Apprehended**  
We've caught about 10 women in the past few months walking with our plants," said a hobbyist, the owner of Henry's, a noted "fern bar" in Francisco.

There are indications that thieves are doing more than just taking the plants they take. Chris, director of the University of California botanical gardens at Berkeley, said that he had to close the gardens' main section because visitors were stealing hallucinogenic cactus plants.

**Strike in Paris**  
Sept. 2 (Reuters).—West German and American tourists and business travelers were stranded here today, because of a strike by the airline



FLAGBEARER—A young man holding a Puerto Rican flag jumps atop a burning police car during rioting in Newark, N.J. Disruptances broke out during Puerto Rican picnic Sunday. Police reported 12 persons hurt.

Consultation Is Infrequent

Americans Take Poor View Of Lawyers, Survey Shows

By Warren Weaver Jr.

WASHINGTON, Sept. 2 (AP)—The first attempt by the legal profession to determine how broadly and effectively it is serving the public indicates that about a third of the American people have never consulted a lawyer about a personal problem.

Of those who have sought legal advice, a survey commissioned by the American Bar Association shows, nearly half—43 per cent—have only discussed a single problem with a lawyer during their lifetime.

The legal problem most frequently encountered, according to the survey, was real estate ownership and transfer, involving 71 per cent of the sample.

Other principal problems were personal injury and property damage, 47 per cent; writing or probating a will, 40 per cent; personal property purchases on credit, 34 per cent; marital, 20 per cent; victim of a crime, 30 per cent.

Preliminary results of the study offer some possible explanations for the relatively infrequent consultation: A large majority of those questioned believe that lawyers charge more for their services than they are worth, while a narrower majority finds all legal fees unfair.

**Middle Left Out**

In recent years, the legal profession has become increasingly concerned over criticism that its services are available to the wealthy, who can afford high fees, and to the poor, through subsidized government programs, but not to the great mass of Americans in between.

As a result, the ABA created in 1971 a special committee on legal needs headed by Randolph Thorne, former commissioner of the Internal Revenue Service. That group, in turn, hired the National Opinion Research Center, a nonprofit adjunct of the University of Chicago, to find out how often people use lawyers and how they regard them.

The report noted that two-thirds of the people interviewed had had "only very limited professional exposure" to lawyers, having consulted one once or not at all.

"Although the experience of consulting a lawyer is widely shared—perhaps more widely than some would have expected—this experience is generally rather thin," the study observed. "Only 11.8 per cent of the whole sample reported having professional exposure to three or more lawyers."

Questions aimed at uncovering public attitudes toward lawyers, judges and the judicial system produced a number of negative, even hostile, results. The sample interviewed took these positions:

• Agreed, 57 to 39 per cent, that the legal system favors the rich and powerful over everyone else.

• Agreed, 52 to 30, that most lawyers charge more for their services than they are worth.

• Disagreed, 56 to 38, that lawyers will work as hard for poor clients as for clients who are rich and important.

• Disagreed, 57 to 39, that lawyers are prompt about getting things done.

• Disagreed, 47 to 44, that lawyers' fees are usually fair to their clients regardless of how they are figured.

• Agreed, 76 to 17, that many matters lawyers handle, such as tax questions and estate planning, can be done as well and less expensively by nonlawyers, such as accountants, bank officers and insurance agents.

Even when a majority of those interviewed was favorable to the legal profession, disagreement was sometimes embarrassingly large. For example, 32 per

cent disagreed that judges are generally selected from the most able members of the legal profession.

On another question, 37 per cent agreed that lawyers are not concerned about doing anything about the "bad apples" in the legal profession. Again, 36 per cent agreed that most lawyers would engage in unethical or illegal activities to help a client in an important case.

In an effort to assess the impact of the Watergate scandals on the reputation of the profession, each person interviewed was asked the question about lawyers' willingness to engage in unethical or illegal activities a second time, with the answer to be based on his opinion a year ago.

The shift was almost imperceptible. A year ago, 59 per cent disagreed that lawyers would help their clients with unethical acts and 34 per cent agreed. The post-Watergate figures showed 57 per cent disagreeing and 36 per cent agreeing.

Agency Admits Oil Firms Got Bargain on U.S. Shale Tract

By Morton Mintz

WASHINGTON, Sept. 2 (AP)—Interior Department officials have acknowledged that a federal oil shale tract leased to two major oil companies for \$210.3 million could be worth up to \$1.5 billion.

That sum is 368 times as much as department estimates originally had figured the tract would bring.

The \$1.5-billion figure derives from a computer analysis requested by Rep. John Dingell, D-Mich., chairman of a House Small Business subcommittee that investigated the department's oil shale leasing policies early this year. The analysis appears as an appendix in the hearing record, just published.

The tract was the first of six which the department leased as part of its prototype oil shale program. The oil companies, Gulf and Standard of Indiana, submitted the joint bid of \$210.3 million, which exceeded seven other bidders ranging from \$16 million and \$175 million and which the Interior Department accepted Jan. 17.

After an investigation by the subcommittee staff, Interior officials conceded at a Jan. 2 hearing that the evaluation made by the department was "significantly less than \$9 million." This turned out to be \$8.8 million.

**Question Raised**

At the hearing, Rep. Dingell asked whether the tract might not have been worth more even than the \$210.3 million, pointing out that the department "would have no way of knowing because its \$8.8-million evaluation was so grossly erroneous as to be of no use at all in assessing the acceptability of the bid."

Rep. Stone, the department's oil shale coordinator, acknowledged that the tract evaluation committee—five department employees whose identities were kept secret—had "looked in" the \$8.8-million evaluation on Sept. 25, when the price of crude oil was \$3.89 a barrel. The committee had assumed that a price of under \$4 would still be prevailing in the 1980s, when shale oil from the tract would come onto the market.

By the time of the sale, however, "old" oil was selling at a controlled price of \$5.25 and uncontrolled "new" oil for more than \$10. Moreover, the Federal Energy Office was saying that to make

U.S. Agency Readies Plan to Create Jobs

By Edwin L. Dale Jr.

WASHINGTON, Sept. 2 (NYT).—Secretary of Labor Peter Brennan announced yesterday that his department has prepared a program of gradually raising payments to local governments to create jobs if national unemployment increases.

Mr. Brennan said that under this proposal a very large program of "public service employment"—amounting to about 800,000 jobs—would not be "triggered" until the national unemployment rate reached "around 7 per cent." It is now 5.3 per cent.

Arthur Burns, chairman of the Federal Reserve Board, has backed a proposal of Sen. Jacob Javits, R-N.Y., that would initiate a program of about \$4 billion for public-service jobs if the unemployment rate reached 6 per cent. President Ford has promised "compassionate" consideration of the idea but has made no commitment.

Mr. Brennan was interviewed on the CBS network's "Face the Nation" television program. His department administers the relatively small existing program of grants to state and local governments for the purpose of creating jobs. He disclosed this schedule of proposed increases:

• If unemployment reached 5.5 per cent, the present program of about \$500 million—creating just under 100,000 jobs—would be slightly more than doubled.

• If the jobless rate should rise to 6 per cent, \$1 billion more would be added for an additional 300,000 jobs.

• If the rate rose to "around 7 per cent," the program would be expanded to create "about 800,000 public-service jobs" in all, which would cost at least \$4 billion.

The problem with the plan is that it would further add to government spending and the budget deficit. Mr. Brennan's disclosure yesterday indicated that the administration was likely to favor a somewhat more cautious and conservative plan than that backed by Mr. Burns and Sen. Javits, on which hearings will begin shortly in the Senate Labor Committee.

**Voluntary Guidelines**

On another matter, Mr. Brennan appeared to differ with George Meany, president of the AFL-CIO, on the issue of possible voluntary wage and price guidelines.

Mr. Meany, interviewed on the ABC network's "Issues and Answers" television program, sharply opposed any guidelines at all, saying they "would be just as unfair as wage and price controls."

Mr. Brennan said, "I think this may be a way we may have to go." But he emphasized his own uncertainty on the point and added that "we would have to look at each industry and how you would set the guideline that applies to that particular industry."

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Ford Signs Law To Aid Pensions

WASHINGTON, Sept. 2 (AP).—Signing into law a new pension reform bill on Labor Day, President Ford called it "a landmark measure that may finally give the American worker solid protection in his pension plan."

The 1974 Employee Retirement Income Security Act gives some 30 million workers now under private pension plans "more clearly defined rights to pension funds and greater assurances that retirement dollars will be there when they are needed," the President said. He added that employees also will be given greater tax incentives to provide for their own retirement if a company plan is unavailable.

The bill does not necessarily increase pension benefits, which now average about \$141 a month for retired workers.

But the legislation contains so-called "vesting" provisions, which guarantee the employee all the pension benefits to which he is entitled after no more than 15 years of service.

But Ford Has Not Settled on Policy

U.S. Agency Readies Plan to Create Jobs

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demands and back them up, that is what is going to happen."

Mr. Brennan, too, said workers were entitled to catch up, but asserted that "the unions should try to hold [demands] within what the increase in costs has been." He added that "management has to realize that if the labor group is willing to do this, then they have to do something about taking a smaller profit and do something about their prices that are holding costs up."

Mr. Meany, in a gloomy assessment of the economic outlook, warned earlier of a possible depression and has called for a change in policies that he said had restricted credit, led to high interest rates and raised the specter of increasing unemployment.

Mr. Meany spoke favorably of President Ford. He said that his accession to the presidency was "refreshing" and that it was a "relief to get rid of what we had in the White House."

"I think Gerald Ford is what he appears to be," Mr. Meany said. "I don't expect any miracles from him... this economic thing is going to be a terrible burden. Whether they can turn it around or not, I don't know."

In a luncheon and interview here, Mr. Meany expressed particular concern about the economic situation. He said the country was already in a recession and that there was "every indication that we are going into a depression," which he predicted would be even bigger than in the thirties "unless there is a quick turnaround."

Haig Will Stay As Aide to Ford

WASHINGTON, Sept. 2 (Reuters).—Gen. Alexander Haig Jr., White House chief of staff, has agreed to a request by President Ford to stay in office, the White House said today.

Presidential spokesman J.P. TerHorst said Gen. Haig "is aboard for the duration."

There have been a number of reports of friction between aides in the Nixon administration and Mr. Ford's men. Top Ford advisers, the reports said, have urged the President to drop Gen. Haig because of his close identification with the former President's defense in the Watergate scandal.

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If you're looking for Jack Daniel's, here are some very nice places to find it.

Recent additions to our Distillery enable us to ship more Jack Daniel's overseas. Sadly, the quantity is still limited. But the quality is worth a visit to any of the restaurants, bars and hotels listed below.

There, you'll discover that Jack Daniel's is neither bourbon nor scotch. It's in a special category which the U.S. government calls by a special name: Tennessee Whiskey. Each drop is seeped through twelve feet of hard maple charcoal to smooth its taste before aging. And because other whiskeys aren't made this way, other whiskeys aren't as smooth.

Jack Daniel's Tennessee Whiskey. Once you find it, we believe you'll like it. No matter what you've been drinking.

UNITED KINGDOM London The White Elephant Club Claridges The Westbury Grosvenor House Inn-On-The-Park The Dorchester Hotel The Connaught Hotel Hilton Hotel Les Ambassadeurs The Savoy Hotel The Grosvenor	GERMANY Berlin Hotel Kempinski Hilton Hotel Palace Hotel Berlin Hotel Hamburg Vier Jahreszeiten Intercontinental Hotel Atlantic Europaischer Hof Garmisch-Partenkirchen Clausen's Pashotel Fischer Spilbank Goldenes Herz Hannover Intercontinental Esso-Motel Tubingen Club Tiffany Stuttgart International Brauninger Exquisite Rottach-Egern Hotel Bachmair Hotel Oberfahrt Klo Inter-Continental Excelsior Dom-Hotel Munich Hotel Vier Jahreszeiten Bayerischer Hof Hotel Bad Nauheim Spilbank Freiburg Herzog's Pub Aachen Epitot Winzburg Cale Ludwig Exquisite Aschaffenburg Bayaria Bay Club Royal	FRANCE Paris Mazins Maxim's Maxim's Only Quest Hotel Napoleon Vence Hotel-Restaurant du Chateau-St-Martin Nice Hotel Negresco Hotel Plaza ITALY Rome Hotel Covell-Hilton Leonardo Di Vinci Hotel Excelsior Hotel Club 84 Night Club Historia Dell-Orso Canova Bar Capri Quisiana Gr. Hotel La Pigna Restaurant Gron Colic Vastia	Venezia Grilli Palace Hotel Danieli Hotel Caffe' Chioggia Floria Bar Cari Grill Torino Ferrero Restaurant Caffe' Torino Bollanines Bar Le Permet Night Club Florida Night Club Principe di Piemonte Hotel Ambasciatori Hotel Villa Sassi Restaurant Milano Cavalieri De Hotel Duomo Gr. Hotel Derby Club Night Club Foyer Restaurant Rubens Hotel Savini Restaurant Anderson Hotel Loghetto Giada Bar Firenze Excelsior Italia Hotel Villa Medici Hotel Doney Restaurant Ischia Excelsior Belvedere Hotel Pescio Malino Hotel SPAIN Madrid Restaurante Boli Hai Hotel Fenix Restaurante Club 31 SWITZERLAND Geneve Parc des Eaux-Vives Corona L'Or du Rhone Mexico Luzern Alpengarten Bar Capital Old Swiss House IRELAND Dublin New Jury's Hotel Gresham Hotel GREECE Athens King Mimos Nestor NETHERLANDS Scheveningen Restaurant Duedelf Amsterdam Esso Motor Hotel Okura Hotel Dick & Thij's Indisch Restaurant Bell Amstel Hotel Hotel Krasnapolsky American Hotel Krasnapolsky Hotel L'Europe Apollo Hotel Alpha Hotel
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What really counts in these days is that it is possible for someone to recall that his first journey from America to Europe by slow boat took 10 days; his second, less than 20 years later, 10 hours by Constellation; now, he could halve that—or, if something like the Concorde were placed in regular service, reduce the time to less than a third. And, by the same token, whereas the two continents were once linked by words alone—wire or wireless—it is now possible for Americans to watch Churchill's funeral, or Europeans to see Nixon's resignation, by television waves, bounced off a satellite. The world has grown very small in one generation.

That collective policies have not kept pace with technological advances is an old, if valid, complaint. What can be said for dashing across the Atlantic at three times the speed of sound is that it does make the peoples of the world neighbors to one another—selfish and greedy, perhaps, but at least aware of what goes on across the backyard fence. One thousand could die in a Chinese flood, and the effects were manifested slowly and obscurely to the rest of the world. Now a drought in the sub-Sahara is vivid to all; now it is far less possible to be isolated from distant human woes, far easier to give speedy help. That the world is shrinking has become a cliché—but a cliché is only a repetition of the obvious. And when harsh facts are obvious they are not as easy to rationalize out of mind as when they appear in the guise of subtle theories.

President Ford has shown that he understands the need to revive the consultative aspects of the presidency, relying in full public view on the capacities to be drawn from the departments of the executive branch, Congress and the legitimate voices of a variety of constituencies. Yet, it would be no service to his administration or to the country to relax in any way the public pressure on the President to chart a course—and on Congress to take seriously its legislative responsibilities to cope with the vast accumulation of domestic and foreign problems.

We respect the President's declaration that, in banishing any vestige of the Water-

It would be unreasonable so soon to expect many hard answers from the new President. But it will be counterproductive, and ultimately dangerous, to let good feeling become a blinder shutting out awareness of the need for effective policies.

—From the Daily Mail (London).

## France and the Arms Race

Ultimately, and this is the most frequent argument, one may argue there are arms merchants everywhere in the world and that one country's refusal to take part in the

**September 3, 1899.**

**BUFFALO.**—Sir William Kennedy, High Court Judge of England, who is in attendance at the conference of the International Law Society here, held that it was generally believed in England that the Alaska matter would be settled without straining the friendly relations between the United States and Great Britain. When asked if the dispute was viewed in England as a matter of national concern, he replied: "England never sacrifices anything. You may be assured she will stand by Canada to the very last."

September 3, 1924

PARIS.—Royal heads are worth only a few francs when offered in Parisian auction sales, if the present owner of the skull of King Henry IV of France is to be believed. Not more than four years ago, the head-piece of King Henry's skeleton, which had been missing since 1793, was sold in the auction hall of the Salle Drouot for five francs, and even then the auctioneer had to throw in two smaller skulls and a few plaster of Paris casts to entice bidders.



The series of articles created a sensation in Moscow. They were read, reread, clipped and sent to friends. "Just think of the objectivity," we said among

their letters be signed only with initials, but preference will be given to those fully signed and bearing the writer's complete address.

**By Jonathan C. Randal**

"We should have an organization to take care of those bastards," the café owner said.

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as he, as a citizen of the  
States was not allowed  
this box to the States.  
Dr. W. S. MATS  
Jerusalem.

I gave a friend who is an American a box with cigars which he refused to take as he, as a citizen of the United States was not allowed to take this box to the States.

Dr. W. S. MATS  
Jerusalem.



## Engineer to Take Part

# Yugoslav Authorities Plan To Re-Enact Train Disaster

ZAGREB, Yugoslavia, Sept. 2 (Reuters).—The authorities plan to re-enact the Zagreb train disaster this week to try to clear up the mystery surrounding Friday's crash in which at least 122 persons died.

Officials said today they hoped to establish the sequence of events which led to the crash by running an identical train into Zagreb's main station under conditions similar to those of Friday. Wednesday has been fixed tentatively for the re-enactment, provided weather conditions are similar. Eight coaches of the same type as those in the crashed train will be detached from a scheduled Munich-Belgrade express for use in the experiment.

The train is to run toward Zagreb on the same track and will be scheduled to pull in here at 10:40 p.m.—the time of the disaster.

**Two Questions**

Investigators are faced with two major unanswered questions: Why did the train go through a slow-down signal and a red light?

## Joseph A. Beirne, Ex-President of U.S. Union, Dies

WASHINGTON, Sept. 2 (AP).—Joseph A. Beirne, 63, leader of the nation's telephone workers for more than 30 years, died of cancer here today.

Mr. Beirne retired in June after serving continuously as president of the Communications Workers of America and its predecessor, the National Federation of Telephone Workers, since 1949. He was a member of the AFL-CIO Executive Committee.

Mr. Beirne was praised by President Kennedy as "one of the outstanding leaders of the American labor movement."

Member of the Democratic National Committee, Mr. Beirne "bitterly" opposed the career of Richard Nixon, according to a CWA biography. He was secretary-treasurer of the labor committee formed to support George McGovern in the 1972 presidential election.

## John Shelley

SAN FRANCISCO, Sept. 2 (UPI).—John K. Shelley, 69, who began his career as a labor leader and later served as a state senator, congressman and mayor of San Francisco, died yesterday of lung cancer.

In 1937, Mr. Shelley, at 31 years of age, became the youngest man ever elected president of the San Francisco Labor Council.

His political career began in 1933 when he was elected to the first of two terms as state senator. In 1949, he was elected to Congress from the 5th District and was re-elected in the next two elections.

In 1968, Mr. Shelley became mayor of San Francisco. He decided not to seek re-election in 1971 because of ill health.

## Channel Storm Sinks 20 British Boats: No Deaths

LONDON, Sept. 2 (AP).—Gales lashed the English Channel last night and British coastguards said today that at least 20 small boats were sunk in and around the Thames Estuary. No deaths or injuries were reported.

Twenty-two persons were reported missing at one stage, but the coastguards said that all were saved. The seven Thames Estuary lifeboats were at sea all night to rescue small boats.

The coastguards of southeast England said it was "lucky" that no lives were lost since many boats had been unprepared for the storm. They had set out "despite very squally conditions and adverse weather reports," the coastguards said.

The pirate radio ship Amiga, anchored 20 miles off the Essex coast, reported that it could see a motor launch in danger of breaking up in heavy seas.

The Walton lifeboat was at sea all night, first searching for the launch, the Moonraker, and then escorting it to port, a coastguard spokesman said.

## 14 Die on Thai Buses

BANGKOK, Sept. 2 (AP).—Fourteen passengers died and 20 were seriously injured when two buses collided head-on while they were going to a beach south of here last night.

and why did it pass a junction at almost twice the permitted speed just before it derailed?

According to preliminary findings, the train approached the station at more than 90 kilometers an hour.

Investigators today questioned engineer Nicola Knezevic, 41, his assistant Stjepan Varga, 40, and two station officials taken into custody after the disaster. Details of the interrogation were not disclosed.

The four are to take part in the reconstruction of the crash. A blood alcohol test on the engineer and his assistant taken shortly after the accident proved negative.

After newspaper speculation here that the train's braking system was faulty, a railroad official last night said there was so far no evidence to support this theory.

**Prolonged Duty**

Sources close to the investigation said they believed the driver and his assistant may have been exhausted because of prolonged duty. They were believed to have driven a train from Zagreb to Belgrade before starting almost at once on the Belgrade-Munich run.

Zagreb University's Institute for Forensic Medicine said today that four of the six bodies identified so far, all Yugoslavs, would be returned home tonight for burial. They included a 29-year-old woman and her son, aged 3.

A total of 111 bodies are still awaiting identification at three improvised morgues here.

Almost all the 400 passengers on the train were Yugoslav migrant workers and their families, returning to West Germany from vacations at home. But there were also a few Turkish and Greek nationals aboard.

The final death toll is expected to exceed 130. More than 50 persons, some seriously injured, are in the hospital.

## Vote on Premier Set for Friday In New Zealand

WELLINGTON, New Zealand, Sept. 2 (AP).—A prime minister to succeed the late Norman Kirk will be elected by a caucus of the parliamentary Labor party Friday. Mr. Kirk will be buried Thursday at his birthplace in Waimate, a small village near Christchurch.

The 34 Labor members of Parliament are expected to select one of four leading candidates. They are the deputy Prime Minister, Hugh Watt; the minister of trade and industry, Warren Freer; the attorney general, Martin Finlay; and the minister of finance, Wallace Rowling.

Political observers agree that the new Prime Minister will be unlikely to promote any major changes in foreign or domestic policy.

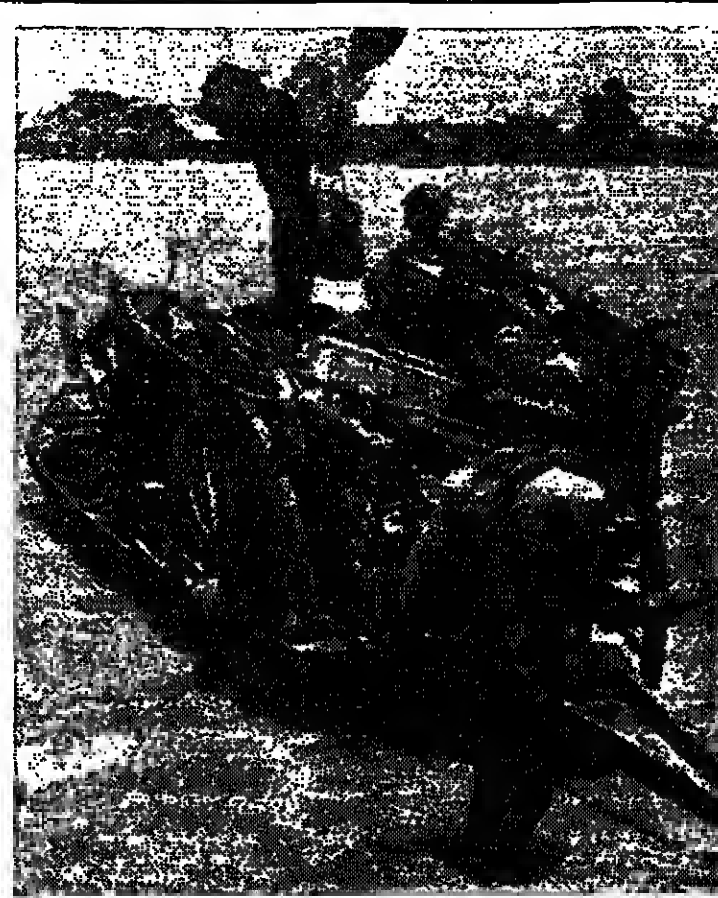
Meanwhile, hundreds of on-lookers, including a large group of Maori tribesmen, viewed the body of Mr. Kirk as it was brought to the Parliament buildings here to lie in state. Mr. Kirk died here Saturday.

## Antwerp Gardens On Danger List

BRUSSELS, Sept. 2 (UPI).—Inhabitants of the small industrial Antwerp suburb of Hoboken have been warned not to eat the fruit and vegetables they grow in their own gardens because of dangerous pollution levels in the area caused by local manufacturing plants. The pollution has killed 16 horses in as many months, as well as calves and turkeys.

Belgian public health officials have been instructed to tell the local population "discreetly" that they should not eat their own garden produce. The warning has been endorsed by the company concerned, Hoboken-Overpelt, which has had to pay compensation to farmers for the animal deaths and is currently engaged in putting filters into its factory chimneys.

Tests by experts from Ghent University have revealed dangerously high levels of lead, cadmium, zinc and copper in the region. Some of this pollution is caused by factory chimneys, but the company's slag heaps, from which metal and chemical wastes are blown by the wind, are the major suspected source.



VIETNAM FERRY—Villagers fleeing fighting northwest of Saigon load an oxcart with belongings on a sampan to cross a river near Tay Ninh. Hundreds have fled their homes in nearby provinces in recent weeks.

## Viet Cong Formally Objects To Probes by 2 Truce Teams

SAIGON, Sept. 2 (AP).—The Viet Cong filed a formal protest today with the International Commission of Control and Supervision charging the Indonesian and Iranian delegations with conducting "unilateral investigations" of alleged cease-fire violations by the Communists at the request of the Saigon government.

It was the latest protest in a month-long dispute. The Viet Cong claim that such investigations are against the "principles of unanimity" under which the commission was created.

The Iranian and Indonesian delegations have said that they are conducting only "observation," which is their duty and obligation under terms of the Paris peace agreement and the operating procedures of the commission.

Both delegations have said that these "observations" are made only to gain factual information and not fix any blame, nor are they made part of the official commission records.

## India Parliament Gets Amendment To Seat Sikkin

NEW DELHI, Sept. 2 (UPI).—Over opposition protests, the government introduced an amendment today granting representation to the Himalayan kingdom of Sikkim in the Indian Parliament.

External Affairs Minister Swaran Singh introduced the amendment, which gives Sikkim a voting representative in both houses of Parliament.

"I oppose the bill lock, stock and barrel," said the Communist party leader Jyotirmoy Bose.

The measure will provoke international repercussions. It will cause a setback to our relations with China.

With the government holding a huge majority, passage is considered certain.

Sikkimese Chogyal (King) Palden Thondup Namgyal sent two messages during the weekend to Prime Minister Indira Gandhi, accusing her of trying to integrate his country into India without the assent of its people.

China today denounced the Indian move as "a despicable act" designed to make Sikkim a colony of New Delhi and charged the Soviet Union with abetting the act.

## Teller, 54, Subdues Armed Bank Bandit

MUNICH, Sept. 2 (AP).—A bank holdup was foiled here today when teller Hans Vogt, 54, overpowered a masked gunman—identified as Wolfgang Raas, 20—who had seized a woman customer as hostage.

Police said that there were 10 customers and 10 employees in a branch of the Munich Stadtsparkasse when Raas, carrying a pistol, entered, grabbed the woman and ordered Mr. Vogt to turn over 25,000 marks (\$10,000). They said Mr. Vogt came out of his teller's cage with the money, then jumped the gunman, holding him until police arrived. Raas has previously been convicted of bank robbery.

## N. Vietnam Reports Population Up by 49%

HONG KONG, Sept. 2 (Reuters).—North Vietnam's population has increased by half to almost 24 million during the last 14 years, according to a census reported by the North Vietnamese News Agency.

It said that on April 1, 1974, the population stood at 23,787,375, with women outnumbering men by 2.2 per cent. The total was 49.4 per cent more than that recorded by the census of March 1, 1960, the agency said. It reported that the new census recorded 1,587 centenarians.

## Palestinians Reportedly Seek Open Consultations With U.S.

By Maurice Guindi

CAIRO, Sept. 2 (UPI).—The Palestinian Liberation Organization has communicated to the United States its readiness to have direct, high-level consultations on the Palestinian problem, a source close to the PLO said today.

The only condition the PLO attaches to such meetings, he said, is that they be publicized and not held secretly.

The PLO communicated this provision to the United States through "third parties" including Arab, Asian and African countries "which enjoy a good standing in Washington," the source said.

The approach was first made about a month ago and was renewed last week.

**'Ready and Willing'**

"The PLO is ready and willing to have consultations with U.S. officials on a high level so long as they are held openly and for all to see—as has been the case in Palestinian consultations with the Soviet Union," the source said.

This is the first time the PLO has taken concrete action for direct contacts with the United States, he said.

There has been no definite response from Washington so far, he said, but first indications were that the United States would prefer any meetings with the Palestinians to be held in secret.

Fears of possible repercussions in Israel are believed to be the main reason behind the desire for secrecy, he said.

The PLO leader, Yasser Arafat, has been to Moscow several times on publicized trips. The latest was in July when he met with Soviet Foreign Minister Andrei Gromyko and other officials. The source said that one possibility the PLO had in mind is a meeting between Mr. Arafat and Secretary of State Henry Kissinger when the latter visits the Middle East later this year.

He said a primary concern of the PLO in any contacts with the United States would be to explain its position that the Palestinian problem should be treated as a national cause and not a refugee question.

American acknowledgment of that position, the source said, would encourage the PLO to participate as a separate entity in the Arab-Israeli peace conference at Geneva.

Meanwhile, Arab foreign ministers on the second day of their conference here unanimously approved their recommendation that Arab states raise the Palestine problem at the UN General Assembly session which opens Sept. 17.

brandishing submachine guns were printed in the press here yesterday.

The victim, Sami Mikdad, was kidnapped a week ago. His body was discovered Saturday in an abandoned well in sand dunes near the Beirut airport.

**Slaying of Premier**

The Black September terrorist, Ziad el-Helou, was one of four guerrillas who assassinated Jordan's Premier Wasfi Telfan in Cairo on Nov. 23, 1971. After brief detention by Egyptian authorities, he and the three other guerrillas were allowed to return to Lebanon.

Helou disclosed the existence of the Black September organization to newsmen in Cairo after his arrest.

The assassination of the Jordanian premier was the first act by the organization.

Subsequent activities have included the Dec. 15, 1971, wounding of Jordan's ambassador to Britain, Zaid Rifai, now the Jordanian Premier; the murder of Israeli athletes in Munich during the Olympic Games in 1972 and the murder of the U.S. ambassador, another American diplomat and a Belgian in the Sudan in 1972.

Fat'h's arrest of Helou was interpreted here as a sign of the decline of the Black September organization.

## Barzani Denies Fleeing, Says He Still Leads Kurds

ANKARA, Sept. 2 (Reuters).—Mullah Mustafa Barzani, leader of the Kurdish rebels in northern Iraq, denied in a radio broadcast last night that he had fled to neighboring Iran.

Speaking on a Voice of Kurdistan radio program monitored in eastern Turkey, the guerrilla chieftain, who is in his 70s, said that he was still in command of the Pesh Merga guerrilla army.

Beirut reports have said that Gen. Barzani was among thousands of refugees driven across the Iranian border by a government counterattack on Kurdish strongholds.

The general last night accused the Baghdad regime of massacring Kurdish children. He again appealed for UN intervention to make the Soviet-equipped Iraqi Air Force stop bombing Kurdish villages.

He admitted that a Kurdish unit, which had approached the oil-rich city of Kirkuk, had been forced to retreat, but he said that the rebels were strong in other areas. The Kurdish forces, said to number 40,000, seek self-rule for their people.

## U.K. Union Group Seeks to End Rift On Wage Policy

BRIGHTON, England, Sept. 2 (UPI).—Britain's 10-million member Trades Union Congress today opened its annual convention with labor leaders seeking to line up solid union support for Prime Minister Harold Wilson if, as generally expected, he orders parliamentary elections for next month.

Mr. Wilson is scheduled to address the 1,000 delegates to the convention on Thursday. It would be the opening of an election campaign.

But the unions were deeply split over the labor government's "social contract" policies of voluntary pay curbs.

The engineering union, which has more than one million members and is Britain's second-largest union, voted by a large majority on Saturday not to accept any kind of curbs on pay demands.

In a bid to end the rift, the TUC president, Lord Alfred Allen, criticized unions which reject the "social contract."

Jack Jones, the head of Britain's largest trade union, the 1.5-million-member Transport and General Workers Union, said he would make another appeal to the engineers to reverse their rejection of the "social contract," which calls for restricting pay boosts to cost-of-living increases.

## Macao Probes Origins Of 'Go Home' Slogans

MACAO, Sept. 2 (UPI).—Authorities in Macao have launched an investigation into the origins of the slogans calling on the government of this Portuguese enclave to "go home," government sources said today.

Hundreds of slogans yesterday were scrawled on the walls of Macao's busiest districts, including the Avenida Republica area, where the official residence of the governor is situated.

## Meningitis in Denmark

COPENHAGEN, Sept. 2 (Reuters).—The Board of Health has warned that the number of cases of meningitis is rising. The Danish Medical Journal said 140 cases were reported during the first seven months of 1974, compared with 165 cases in all of last year and only 52 in 1968.



Yasser Arafat

## Black September Terrorist Arrested by Fatah in a Killing

BEIRUT, Sept. 2 (UPI).—A member of the Black September organization of Palestinian terrorists and four of his followers have been arrested here by the security organs of el-Fatah, the main Palestinian guerrilla group, on suspicion of having kidnapped and murdered a 30-year-old Lebanese citizen.

The arrests were made to head off an armed confrontation between the guerrilla movement and the powerful Mikdad clan of the southern sector of Beirut. Several members of that clan have taken up arms and gathered at the home of their leader, Abu Taa Mikdad. Photographs of the men

## Brother Was Killed

The kidnapping of Sami Mikdad followed the assassination of Helou's brother Fathi el-Helou, a member of Fatah's secret service, on a Beirut street.

The pro-guerrilla press here accused Jordanian intelligence agents of having killed Fathi Helou in revenge for the assassination of Telfan three years ago. Newspapers here reported that the Mikdad clan was connected with the Jordanians.

Members of the Mikdad clan said that they had been informed by guerrilla leaders that a man named Mustafa Zaidan, a colleague of the Helou brothers, was the murderer of Sami Mikdad. The guerrilla leaders reportedly offered to execute the suspect in the presence of members of the Mikdad clan, who demanded instead that he be turned over to the Lebanese authorities for trial and execution. The suspect was delivered to the authorities yesterday.

## Germany Opens War Crimes Trial

GIESSEN, West Germany, Sept. 2 (AP).—A West German court today suspended action against two main suspects and then opened the trial of eight other former police officers charged with assisting in the World War II murders of an undetermined number of Poles. The court decided that Friedrich Schulz, 64, and Hartmut Pulver, 66, were too ill to attend the trial.

This left eight suspects between the ages of 53 and 67 to face charges dealing with executions of Polish citizens near the former East Prussian and Polish border between 1939 and 1944.

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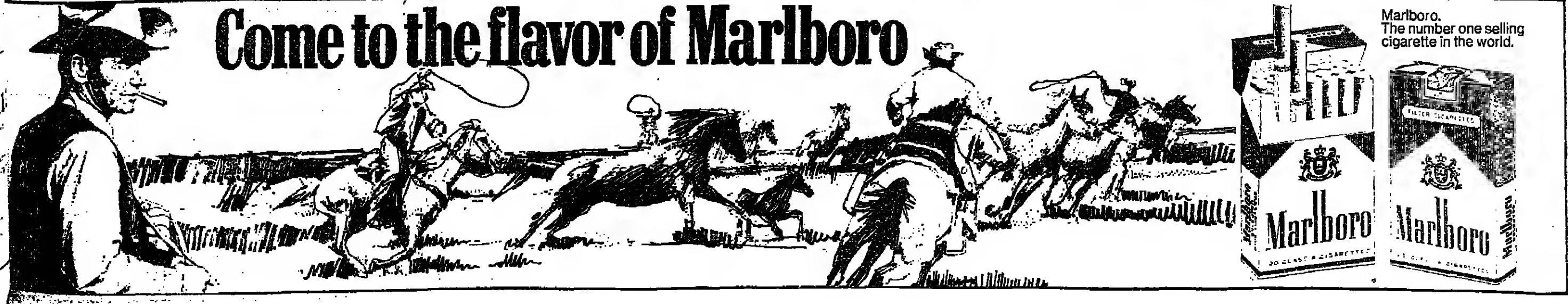
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Published with The New York Times and The Washington Post

PARIS, TUESDAY, SEPTEMBER 3, 1974

Page 7

Lloyds' Swiss Branch Has £33-Million Loss

By Clyde H. Farnsworth

PARIS, Sept. 2 (NYT).—One of the bluest of the blue chip British banks, Lloyds Bank Ltd., announced today that it has suffered losses of up to £33 million because of "irregularities" involving unauthorized foreign exchange dealings at its branch in Lugano, Switzerland.

The disclosure by Sir Eric Limer, the chairman, in London, came as the federal bank commission of Switzerland in Bern had opened an investigation to determine whether criminal offenses were committed in Lugano.

Lloyds said it was meeting "all commitments of the branch" and insisted that the loss "should be viewed in the perspective of a profit before tax for six months to June 30, 1974 of £77.8 million to June 30, 1974, of £77.8 million, or over 1500 million."

The announcement came amid a series of rumors that caused bank shares to weaken in European markets. Lloyds' shares hit for nearly 20 per cent are recovering to close 15 per cent lower in London.

The bank said its statement had made "no reference to any irregularities or uncertainty in the accounts" and that the loss was "not a reflection of the bank's performance."

The manager of the branch, which employs 20 persons, and a foreign exchange dealer have been suspended. While the branch remains open to conduct all business, its foreign exchange operations have for all practical purposes been stopped.

Unauthorized Currency Deals Reported as Inquiry Opens

Lloyds has two other branches in Switzerland, one in Geneva and one in Zurich.

The reverse suffered by the big British clearing bank follows a series of similar losses that have weakened other European—and American—banks this year.

The Franklin National Bank, thanks to an emergency infusion of Federal Reserve money, managed to survive irregularities in its currency trading department but is now under a completely new direction.

Last April the Union Bank of Switzerland, largest of all Swiss banks, reported the loss of an unspecified but "sizeable" amount of money in currency trading and dismissed one of its chief dealers.

The biggest of all reported losses occurred in the Harlequin

Bank of Cologne—some \$200 million was said to have been involved—and the bank was forced to shut its doors last June.

The Lloyds loss is the biggest sustained in currency transactions by any British bank.

There were fears that the disclosure could lead to fresh unrest in European securities and currency markets and further weaken confidence in the banking structure of the West.

To try to contain the situation the Bank of England approved an immediate transfer of capital from the parent bank in London to Lugano to bolster the shaky finances of the branch and insure that it met the minimum capital requirements of the Swiss banking authorities.

Banks have been vulnerable in foreign exchange dealings under

the new monetary regime of floating currencies. Currency values used to be kept within fixed limits maintained by the interventions of central banks, but following the disorder in the monetary world in the late 1960s and early in the new decade, this system was abandoned to permit currencies to fluctuate more or less as market forces dictate.

This made foreign exchange trading very much more of a gamble, since there was no assurance that a central bank would defend a particular rate.

Central banks have lately been adopting policies of stricter surveillance over the foreign exchange departments of commercial banks.

They have also sought to get bank managements to discourage a practice that is believed to have led to some of the losses: Traders deal in currencies for their bank and also for their own private accounts. This involves a basic conflict of interest.



Pierre Rosetti

PEOPLE IN BUSINESS

Motorola Inc. has appointed Pierre Rosetti manager of European treasury operations, based in Geneva. He was formerly manager of European business planning for the Geneva semiconductor division.

Henry Mortimer, former director and executive committee member of Clark Dodge, has joined the E. F. Hutton International group, based in Geneva. He has been named a vice-president of E. F. Hutton & Co.

Fed, Europeans Have Divergent Views

Central Banks Split on Role in Euromarket

By Edwin L. Dale Jr.

WASHINGTON, Sept. 2 (NYT).—The Federal Reserve Board has evolved its own ideas on how the leading central banks should deal with potential banking problems in the vast Eurocurrency market, and they apparently do not coincide in all respects with European views.

The key issue is that of defining responsibility—which central bank should come to the rescue of a private bank operating in the Eurocurrency market that runs into liquidity problems.

The Fed, according to high officials, accepts full responsibility in the case of branches of U.S. banks abroad. In part this is because the figures on assets and liabilities of the home office and the branch is, to all intents and purposes, a U.S. bank.

The problem arises in the case of subsidiaries, which may be wholly owned by a U.S. bank but are incorporated, say, in England. Even more difficult is the problem of "multi-bank" banks, which are established by a consortium of leading private banks from several countries and may be incorporated in such a country as Luxembourg.

The Fed's view is that the responsibility for any difficulties of a subsidiary of a U.S. bank abroad rests first with the parent U.S. bank. But after that, if the difficulties cannot be overcome and a "lender of last resort" is needed, the responsibility lies with the central bank of the country of domicile of the subsidiary.

This view has not so far been accepted by the Bank of England, as one important example. It refused to help a subsidiary of an Israeli bank that ran into severe difficulties earlier this summer.

In the case of the "multi-bank" banks, the Fed believes that the primary responsibility lies with the parent banks. Because they are several in number, and normally quite large, they should jointly be able to cope with any liquidity problems that may arise. "Currency offshoring," it is believed, but in an extreme case, in the Fed's view, the central bank of the country where the offshoring is incorporated should be responsible.

Apart from that issue, there is sometimes a problem, in any country, of making a distinction between problems of "liquidity" and "solvency." The first can arise through no fault of the bank's management, but the second implies bad loans and other assets and poor management decisions. Central banks generally feel a responsibility to help in liquidity problems, but not to rescue insolvent banks.

The Fed has rescued Franklin National Bank, but only after a finding that it was "solvent." Assuming an agreement on definitions of responsibility, there is still the problem of making a distinction between problems of "liquidity" and "solvency."

Company Reports

Liton Industries	
Fourth Quarter	1973 1974
Revenue (millions)	\$94.80 \$94.18
Net Loss (millions)	71.68 A3.78
Per Share	— 0.06
Year	
Revenue (millions)	3,081.98 3,024.36
Net Loss (millions)	39.81 A49.03
Per Share	— 1.02
(All-Nat Income)	

McCrory Corp.	
Qtr. to July 27	1973 1974
Revenue (millions)	\$44.51 \$37.53
Profits (millions)	0.39 1.97
Per Share	0.03 0.33

Danish Prices Rise

COPENHAGEN, Sept. 2 (Reuters).—Denmark's consumer price index for July was 208.4 (base year 1964), compared with 205.9 in June and 179.7 in July 1973, the bureau of statistics said.

Following the formation in France

and in light of the creation in Great Britain, Germany, Belgium and the Netherlands

of Shareholders associations of the following companies

Financière de Suez

Banque de l'Indochine

and Saint-Gobain

Pont-à-Mousson

The shareholders of the above companies who wish to join these associations are invited to make themselves known.

At the request of the originators of these associations who are concerned with defending the shareholders' interests, the companies named above are subject to investigation by the Tribunal de Commerce de Paris.

Charge concerning them are also registered with the Operations Commission of the Paris Stock Exchange.

Write to:

M. BARES

BP. 51-75521 Paris Cedex 11.

Oil Embargo Hit U.S. Jobs, Output

By Reginald Stuart

NEW YORK, Sept. 2 (NYT).—The output of the U.S. economy fell in the first quarter of this year by \$10 billion to \$20 billion as a result of the Arab oil embargo, according to a report released in Washington by the Federal Reserve Administration.

The report, entitled "The economic impact of the oil embargo on the American economy," also found that the embargo reduced the civilian labor force by approximately 500,000 people, mostly in the automotive areas, and caused a sharp upturn in the consumer price index through increased energy prices.

"This paper is a preliminary attempt to analyze the impact that energy scarcity problems have upon the United States economy," the report stated. "It shows that energy shortages are as potentially damaging as failures of the economic system to fully employ labor and capital."

The report, prepared by the FEA's office of economic impact, emphasized that it was "difficult" to separate the effects of the embargo from events that would have occurred without the embargo, and added that its purpose was to "serve as a preliminary

interpretive guide to the underlying causes and consequences" of the oil embargo. Regarding employment, the report cited Department of Labor estimates that about 80 per cent of the industrial layoffs attributed to energy problems could be "traced to the decline in demand for automotive or recreational vehicles." About 85 per cent of the jobs lost were those of semiskilled workers. The Department of Labor estimated that between November, 1973, and March, 1974, there were 150,000 to 225,000 jobs lost "as a direct result of employers' inability to acquire sufficient supplies of petroleum, principally in gasoline stations and airlines."

"In addition, a decline of approximately 310,000 jobs occurred indirectly in industries whose products or processes were subject to reduced demand from either real or anticipated fuel shortages," the report stated, such as the auto and automotive parts industry.

Bonn's Payments Surplus In July Trails Level of 1973

FRANKFURT, Sept. 2 (AP-DJ).—West Germany's basic balance-of-payments surplus in July declined to 775 million deutsche marks from 973 million DM a year earlier but slightly exceeded the 175-million-DM surplus posted in June, the Bundesbank said today.

The basic balance, regarded as the best indicator of the nation's fundamental payments position, covers only the current account—trade, tourism, transport costs and the like—and long-term capital movements.

The overall payments balance was 1.14 billion DM in deficit in July against a deficit of 381 million DM in June and a surplus of 4.84 billion DM a year earlier.

The central bank said it believed that part of the payments deficit was caused by capital transfers abroad on the part of West German industry in the form of export credits.

The current account for July showed a surplus of 1,559 million DM against a surplus of 837 million DM in June and a deficit of 373 million DM a year earlier. The long-term capital account was 824 million DM in deficit against a deficit of 123 million DM in June and a surplus of 1,348 million DM a year earlier.

The short-term capital account was 866 million DM in surplus in July against a 497-million-DM deficit in June and a surplus of 1,697 million DM a year earlier. Residual items showed a deficit of 2,743 million DM against a deficit of 619 million DM in July

and a surplus of 1.97 billion DM a year earlier. For the first seven months, Germany posted a basic payments surplus of 13.151 billion DM, down from a surplus of 13.69 billion DM in the 1973 period. The seven-month current account showed a surplus of 15,018 billion DM, up sharply from a surplus of 4,728 billion DM in the 1973 period.

U.K. Concerns Cut Spending 3.3 Per Cent

LONDON, Sept. 2 (AP-DJ).—British industry's capital spending in the second quarter totaled \$1,066 billion, down about 3.3 per cent from the first period's \$1,102 billion, the Department of Industry reports. The figures, seasonally adjusted at 1970 prices are provisional.

Capital spending in the manufacturing sector totaled \$215 billion in the second quarter, down about 1.7 per cent from \$224 billion in the first quarter. Compared with the like 1973 period, total capital spending in the second quarter was up 2.24 million.

The Department of Industry also says that inventories of manufacturers and distributors rose by \$165 million in the second quarter, compared with a drop in stocks in the first quarter of \$165 million because of the coal miners' dispute and the three-day work week.

FINANCIAL NEWS AND NOTES

GM Spending in '74 a Record

General Motors has pledged its largest capital outlay ever as proof of its confidence in the future. GM chairman Richard Gerstenberg forecasts motor vehicle sales of about 13 million units during the upcoming 1975 model year and says his confidence is confirmed by "our record capital development" for new-model cars. GM is expected to spend \$1.4 billion in 1974 for capital improvements in an expensive campaign highlighted by the conversion of facilities to produce more small cars. That is \$100 million more than Mr. Gerstenberg forecast last year and is more than the record \$1.32 billion spent in 1965. He did not detail the investments, but GM is known to have spent hundreds of millions of dollars converting manufacturing plants to increase production of small-sized cars. Mr. Gerstenberg says GM is already able to produce 70 per cent more small cars than during the 1973 model year. "These record investments, while swollen by inflation, nevertheless represent a most tangible expression of our confidence in the future of our business," he says.

Lockheed Confident About Textron

Daniel Houghton, chairman of Lockheed Aircraft Corp., is "confident" the company's planned arrangement with Textron Inc. will be realized. He says there is a good chance Lockheed will get orders for the 180 TriStar required by Textron as part of the company's planned arrangements. All-Nippon Airways has just converted seven options into firm orders, and Lockheed now needs only 38 TriStar orders to meet the 180 figure. The plan envisages an

equity investment by Textron in Lockheed and a restructuring of Lockheed's debt. The equity investment would total \$100 million, of which Textron would provide \$65 million by acquiring 12 million new common shares of Lockheed at \$5 a share, and \$35 million of a new Lockheed preferred stock. The remaining \$15 million would come from a rights offering of three million new Lockheed common shares to Lockheed holders at \$5 a share. After the purchase of 12 million Lockheed common shares, Textron would hold 45 per cent of Lockheed.

U.K. Company in Iranian Venture

Constructor John Brown Ltd. has signed an agreement with Mohandess Iran Co. of Tehran, to form a joint engineering company in Iran. CJB Mohandess Iran. CJB says the new company "aims to take a major role in Iran's fast-expanding industrialization program, particularly in the fields of oil, gas and petrochemicals." CJB, a unit of John Brown & Co., was responsible for engineering and construction of National Iranian Oil Co.'s first pipeline from Ahwaz to Abadan, and also helped build a fertilizer plant in Shiraz.

Schering Results Improve in Half

Schering AG says results in the first half of this year improved compared with the 1973 period. Parent-company turnover rose 23.3 per cent and group sales 18.2 per cent although the yield on sales was unchanged. Turnover growth will slow in the second half but results should again be satisfactory for the full year, the West German chemicals and pharmaceuticals concern says.

INTERCONTINENTAL TECHNOLOGY & NATURAL RESOURCES

Société Anonyme

Registered Office: LUXEMBOURG, 14 Rue Aldringen

Notice of Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders of INTERCONTINENTAL TECHNOLOGY & NATURAL RESOURCES S.A. will be held at its registered office at Luxembourg, 14 Rue Aldringen, on September 20th, 1974 at 3 o'clock p.m. for the purpose of considering and voting upon the following matters:

- 1) To hear and accept the reports of:  
A. the directors;  
B. the statutory auditor.
- 2) To approve the balance sheet and the profit and loss account for the fiscal year ended December 31st, 1973.
- 3) To discharge the directors and the auditor with respect to their performance of duties during the fiscal year ended December 31st, 1973.
- 4) To elect the directors to serve until the next annual general meeting of shareholders.
- 5) To elect the auditor to serve until the next annual general meeting of shareholders.
- 6) Miscellaneous.

The shareholders are advised that no quorum for the statutory meeting is required and that decisions will be taken by the majority of the shares present or represented at the meeting with the restriction that no shareholder either by himself or by proxy can vote for a number of shares in excess of one fifth of shares issued or two fifths of the shares present or represented at the meeting.

In order to take part at the statutory meeting of September 20th 1974, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Fund, 14 Rue Aldringen, Luxembourg, or with one of the following banks:  
—Banque Générale du Luxembourg, S.A.  
14 Rue Aldringen, Luxembourg;  
—J. Henry Schroder Wagg & Co. Limited.  
120 Cheapside, London, E.C.2.

The Board of Directors.

EUROPEAN ROUND TABLE

"The political, social and economic future of Italy"

ROME, October 2, 3, 4, 1974

A unique opportunity for Chief Executives of companies doing business with Italy or interested in the Italian scene, to meet with the country's leaders for a first-hand, off the record briefing.

Faculty members include leading:

- ministers;
- members of the opposition;
- industrialists;
- union leaders;
- bankers, etc.

For further information and reservations:

European Management Forum (Department X),

19 Chemin des Hauts-Creux,

1222 Coligny/Geneva, Switzerland.

Telephone: 35-18-70. Telex: 27047.

2 reasons why the price of SILVER may rise steeply

Two powerful forces are at work today which make a steep rise in the price of silver seem inevitable.

First, silver, like many other natural resources, is in short supply. The demand for silver surpassed new production for each of the last 23 years. And for each of the last 13 years, the demand for silver surpassed new production by more than 100 million ounces.

This excess of demand over supply is exerting a strong, steady upward pressure on the price of silver. During the 1960s the price of silver rose 95%. So far in the '70s, the rise has been even steeper.

Second, we're in an era of worldwide inflation. People throughout the world are losing confidence in the ability of governments to check inflation. And when that happens, they seek the security of precious metals such as silver, rather than paper money.

Indeed, for nearly 2,600 years, since the first silver coinage, knowledgeable investors have turned to silver for financial protection—because silver generally performs well in bad times.

For example, during Chile's recent decade of inflation, the price of silver increased more than 1,500 times. During Germany's nightmarish runaway inflation following World War I, the price of silver increased more than 91 billion times. And during the 33 years of our current inflation, the price of silver has increased more than 10-fold.

Harry Browne, who correctly predicted the first dollar devaluation in 37 years, now writes in his new book, *You Can Profit from a Monetary Crisis*, "Silver offers a way to hedge against a depreciating dollar, to be on the right side of a shortage for a change, to be relatively invulnerable to the next depression, and to preserve a long-term store of value through a runaway inflation."

Now, our new booklet shows you the why's and how's of silver investing. In *The Case for Silver* by Louis E. Canabini, President of the Pacific Coast Coin Exchange, you'll discover:

- Why worldwide silver consumption is in a powerful long-term upward trend;
- The unique properties of silver and why it is an essential and unsuitable commodity in many industries;
- 11 facts about the silver mining industry that point to higher prices;
- The silver shortage charted, with timing estimates;
- Case histories of 4 famous investors (including Germany's) investment analyst T. J. Holt's first-hand account of living through a runaway inflation;
- The four main ways to invest in silver, the advantages and disadvantages of each;
- Common questions asked by investors about silver.

May we mail you a FREE copy of *The Case for Silver*? Simply send the coupon below to Monex International, GmbH, Holzhausenstrasse 25, 6 Frankfurt am Main, West Germany, or call 0611-596030.

Monex International GmbH. (In America, Monex International is known as The Pacific Coast Coin Exchange.) The world's oldest and largest supplier of silver coins to investors. Clearing member of the New York Mercantile Exchange.

Holzhausenstrasse 25, 6 Frankfurt am Main, West Germany. Gentlemen: Please mail me a FREE copy of your new silver booklet, *The Case for Silver*. I understand there is no charge and no obligation.

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Address \_\_\_\_\_  
City/State/Zip \_\_\_\_\_  
Phone \_\_\_\_\_  
Real Time To Call \_\_\_\_\_

Modern technology has opened up an entirely new role for silver as a commercial commodity. Without silver, the modern world as we know it couldn't exist.





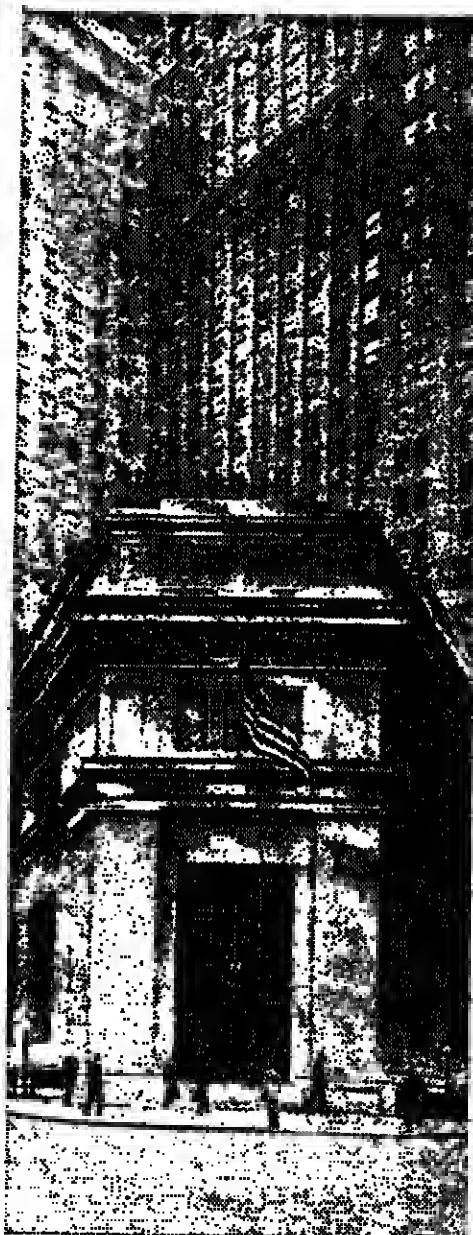
Morgan's Corporate Research analysts are industry specialists. Here, visiting an aircraft assembly plant, are four members of the Europe team: Gary Herbst, Michael Sellars, Ruth Zilkha, and Anthony Bird.

## For innovative answers to your company's financial questions, consider Morgan Guaranty

Financial planning raises some of the toughest questions facing a corporate financial officer. What is the economic outlook for my industry? What is my debt capacity? Is the company's dividend policy correct? How much should I pay for an acquisition? Morgan Guaranty's unique Corporate Research Department is well-equipped to give informative answers to key questions like these—and do so on a multinational basis.

Corporate Research at Morgan is 50 financial analysts around the world. A group of them is centrally located in Paris to serve European companies. The department has these basic functions: We analyse and evaluate your company's financial forecasting, then suggest the best means of financing future needs. We conduct corporate diversification studies in a variety of industries and advise on growth strategies. In fact, we tackle virtually any sort of corporate financial question.

Three examples: We recently completed a capitalization study of the problems facing the European arm of a major U.S. company. We established the value of a merger candidate in the French food-processing industry, then advised on the securities package to finance the deal. And for companies



thinking of diversifying, we've just analysed in depth the furniture industry in the U.S., warehousing in Japan, and retailing in Great Britain.

Our Corporate Research Department, operating on a fee basis, serves individuals, small companies, and the world's largest corporations. Its studies and recommendations are made in the strictest confidence and are geared entirely to finding the best solution to a client's needs. We believe no other financial institution offers our unique combination of multinational experience, skill, thoroughness, and objectivity.

For more information, talk with the Morgan officer who calls on you, or write directly to Anthony G. Bird or G. Michael Sellars, vice presidents, Corporate Research Department, at our Paris office. The address: 14, Place Vendôme.

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**Morgan Guaranty - the corporate bank**

مورغان غوارانتي



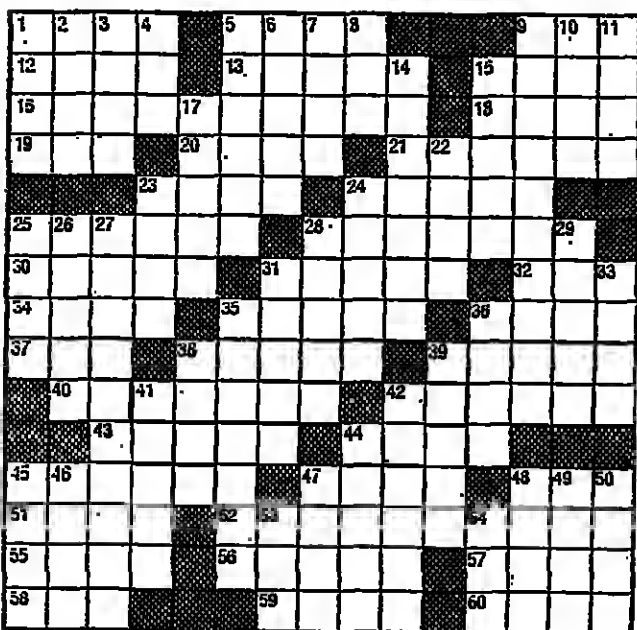




# CROSSWORD

By Will Weng

- ACROSS**
- 1 Two  
5 "the night"  
9 College degree  
12 False god  
13 "luego"  
15 Numerical prefix  
16 Leader of the flock  
18 Rustic poem  
19 Corrode  
20 TV's Johnson  
21 Bicycle for Daisy  
24 "Without a Cause"  
25 Get-together, Indian style  
28 Lost in thought  
30 Outsider of a sort  
31 Characteristic (agree)  
34 Tax in Britain  
35 Defeats soundly  
36 Tennis score  
37 Mature  
38 Fathers  
39 God's second mistake, to Nietzsche
- DOWN**
- 1 Agree with  
2 View  
3 Cast off  
4 Nature is  
6 L.A. area  
7 Pro-circuit man  
8 Anne or Agnes  
9 Like Paul Pry  
10 Island off Scotland  
11 Unruffled  
14 Twin of Apollo  
15 Eats  
17 Police van  
22 Strikes terror  
24 Gathers  
25 S.A. rodent  
26 Cassini et al.  
27 Wags' offerings  
28 Pipe  
29 Couch  
31 "cheers!"  
33 Do bar work  
35 "for the Prosecution"  
36 "Compulsion" kidnapping  
38 "and polish"  
39 "woods these are..."  
41 Creepy  
42 Walk unsteadily  
44 Montana city  
45 Old Greek city  
46 Kind of turkey  
47 Raise a disturbance  
48 "In veritas"  
49 "each life..."  
50 Old oath  
53 Metric measures  
54 Cheer

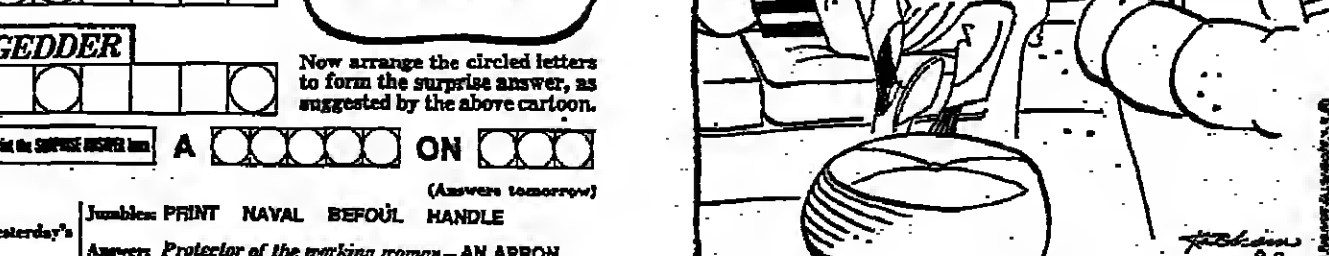
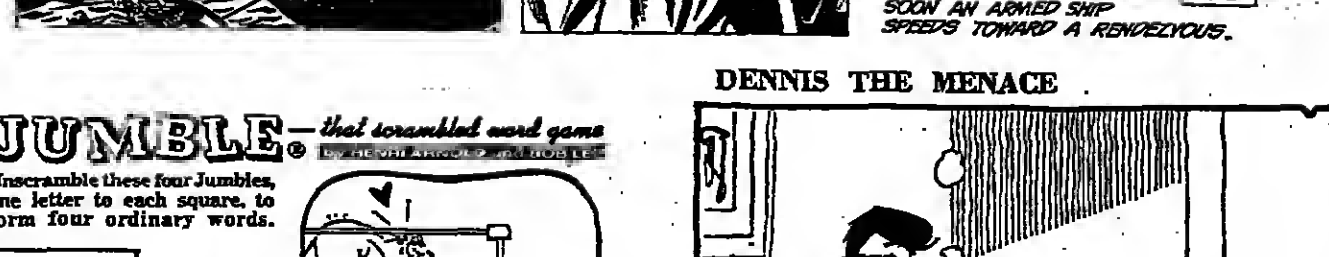
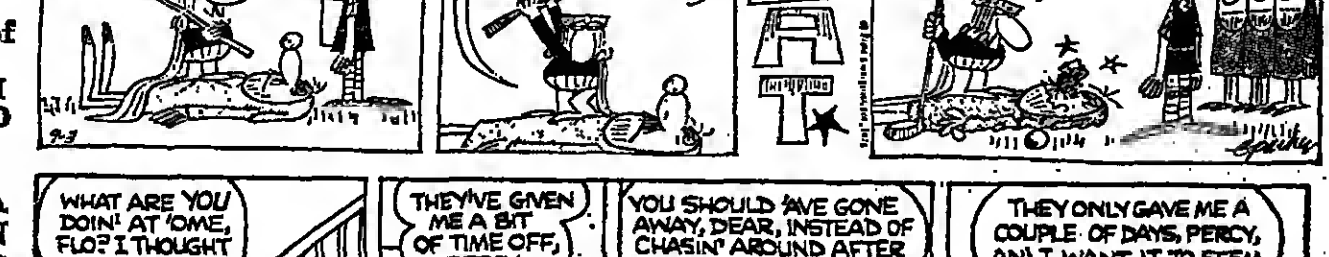
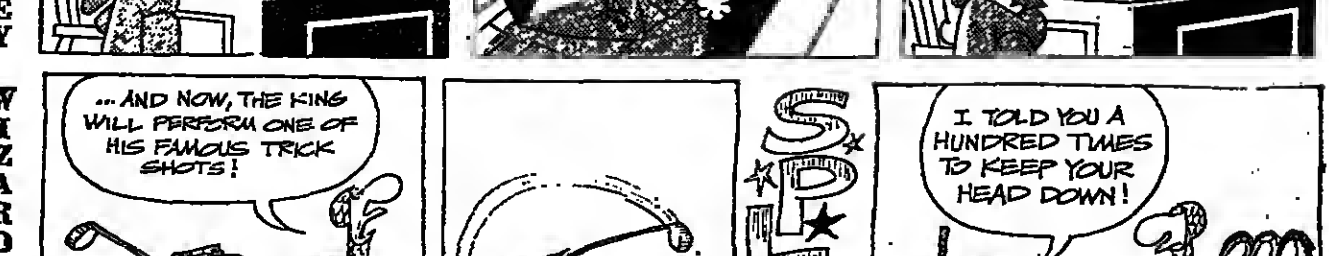
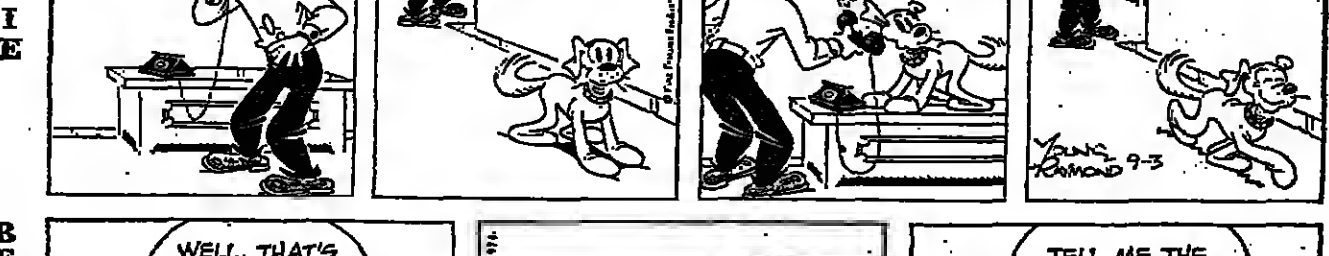
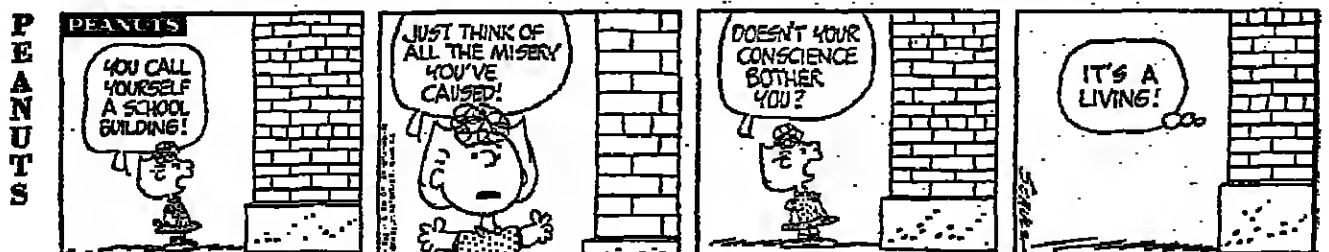


## WEATHER

City	Temp	Cond	Wind
ALBUQUERQUE	59	Overcast	10
ALBANY	58	Cloudy	10
ALBUQUERQUE	59	Overcast	10
ALBANY	58	Cloudy	10
ALBUQUERQUE	59	Overcast	10
ALBANY	58	Cloudy	10
ALBUQUERQUE	59	Overcast	10
ALBANY	58	Cloudy	10
ALBUQUERQUE	59	Overcast	10
ALBANY	58	Cloudy	10

## INTERNATIONAL FUNDS

Fund Name	Value
ALBUQUERQUE	59
ALBANY	58
ALBUQUERQUE	59
ALBANY	58
ALBUQUERQUE	59
ALBANY	58
ALBUQUERQUE	59
ALBANY	58
ALBUQUERQUE	59
ALBANY	58



## BOOKS

### STRICTLY PERSONAL

By John Eisenhower. Doubleday. 412 pp. \$10.95.

Reviewed by Edwin Newman

NOBODY who reads "Strictly Personal" will dislike John Eisenhower. He is plainly a well-meaning and dandy man. Equally out of the question, however, is affection, admiration or faded feeling of any kind. It is a book that brings no reaction at all.

The difficulty is that, as the son of one of the most important men of the century, Eisenhower observed great events but did not participate in them. He writes, therefore, as somebody not closely enough involved to have much inside information to pass along, and not sufficiently detached to have an independent point of view.

This handicap might be overcome were he advancing a thesis, but he is not. In fact, he tells us at the outset, "I have attempted to avoid editorializing as much as possible." The handicap might be overcome if he were a gifted, or even a lively, writer but he is not. One runs into such problems as this on the early days of his courtship of Barbara Thompson, the woman he married: "How the two of us held up with a schedule of long working days and night-climbing to late hours I can attribute only to youth."

Or this rare attempt at humor: "That evening, Dad, (Christian) Harter, (Harold) Macmillan, and (Selwyn) Lloyd conferred privately. Meeting with the British were always eased by the fact that the two nationalities speak relatively similar languages."

Here and there, he does "editorialize." He says that it was wrong of Adlai Stevenson to bring the issue of a nuclear test ban into the 1952 campaign and he makes this comment on a conversation he had with his father and Omar Bradley: "Our points were perhaps technical and theoretical, but the incident illustrates the propensity of soldiers to talk shop and, like other human beings, to differ in their views based on their individual subjective experiences."

Being an Eisenhower had its advantages, but it was not always easy. As an army officer, John Eisenhower had at times to fight off special treatment and he had to consider the possibility of suicide in case he was captured in Korea. As a prisoner, he could not be used to bring pressure on the United States. Eventually the tension between pursuing his own career and being his father's son became too much for him and he left the Army in 1961.

### Best Sellers

The New York Times

This list is based on reports from more than 200 bookstores in 14 cities throughout the United States. Weeks are not necessarily consecutive.

Rank	Title	Author
1	Thacker, Taylor, Soldier	John Le Carré
2	The Dogs of War	Frederick Forsyth
3	Warship Down	Robert Bly
4	Jaws	Peter Benchley
5	Coast Guard	Robert Bly
6	The House of a Thousand	Victoria Holt
7	The Fan Club	John Le Carré
8	The War Between	Robert Bly
9	Centennial	James A. Michener
10	Water	Robert Bly

## BRIDGE

By Alan Truscott

Winning a world title might seem to disqualify anyone for the doubtful distinction of being the unluckiest player in the tournament. Yet Fred Gordon of Britain can be said to have achieved this dubious double at the world pair championships in Las Palmas in May.

Mrs. Gordon knew that it she and her partner, Riki Markus, could win the women's world pair title they would have the master points to become the first women grandmasters, joining 30 men in that rank.

They won the women's pairs by a handsome margin, regaining the title they had previously won in 1962, but only Mrs. Markus became a grandmaster. At meetings in Las Palmas, the World Bridge Federation downgraded the women's pairs, giving the winners 35 master points instead of 50.

This left Mrs. Gordon 8 points short of the required total of 200 points, and she will have to wait two years for an opportunity to make up the deficit and gain the coveted grandmaster title.

Mrs. Gordon was the heroine of a fine defensive play on the diagramed deal played in another tournament. It was reported in the book "Aces and Places" by Mrs. Markus, the partner with whom she has shared a string of international successes in the last quarter of a century.

The bidding is not on record, but many roads would lead to six spades. The sequence shown begins with a strong two-bid, for which South is doubtfully qualified. After an encouraging raise, he signs off in game, but bids the slam when North makes a cue-bid in clubs. Most American experts would open with two clubs, strong and artificial, and the slam would be played from the North side of the table.

Although the North-South partnership have a five-five trump and 33 high-card points, between them, the slam turns out to be a poor proposition. This is largely because they are unlikely to have complete duplication of distribution and was strength in clubs. If South held the diamond queen instead of the club queen, the slam would have been a certainty.

South did the best he could by winning the opening diamond lead, drawing trumps, and cashing two club winners. He took his remaining diamond winner and exited with a diamond, giving Mrs. Gordon West, a difficult problem.

A club play would have been a loser from the other. And a heart lead would have given declarer three heart tricks: the slam.

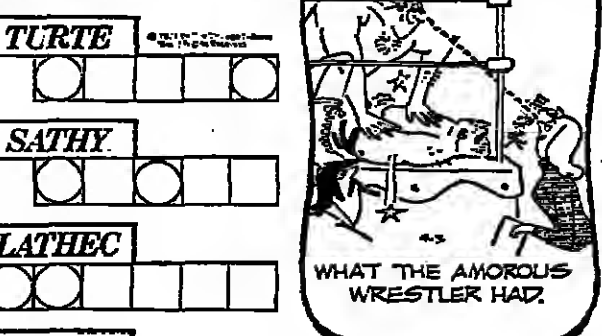
But Mrs. Gordon worked out correctly and led the heart jack, a fine play to which there was no answer. And the slam had to fall.

NORTH	WEST	EAST	SOUTH
1354	433	433	1072
1018	433	433	1072
754	433	433	1072
K7	433	433	1072

Both sides were vulnerable. The bidding: South West North East 2♣ Pass 3♣ Pass 4♣ Pass 5♣ Pass West led the diamond queen.

## JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Yesterday's Jumble: PRINT NAVAL REFOUL HANDLE

Answer: Protector of the working woman - AN APRON

## DENNIS THE MENACE



"MY FOLKS ARE THE SAME WAY... WHEN THEY START REALLY THINKING ABOUT SOMETHING, YA MIGHT AS WELL GIVE UP."

سكرا من الامم







